

## FRANCHISE DISCLOSURE DOCUMENT

### THE DOAN GROUP



Woodland Capital Franchising, Inc.  
A Georgia Corporation  
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Covington, Georgia 30016  
(770) 788-8328  
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As a The Doan Group franchisee, you will operate a business that performs personal and commercial vehicle, automobile, truck, motorcycle and heavy equipment appraisals of property and casualty damage.

The total investment necessary to begin operation of a Doan Group franchised business is from \$14,050 to \$68,000. This includes \$10,000 to \$50,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Amanda Hughes, at Woodland Capital Franchise, Inc. d/b/a Doan Franchising, 5090 Highway 212, Covington, Georgia 30016, or (770) 788-8328.

The terms of your contract govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: May 5, 2025

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or <u>Exhibits E and F</u> .
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or <u>Exhibit D</u> includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Doan Group business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Doan Group franchisee?</b>	Item 20 or <u>Exhibits E and F</u> lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising Generally

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in [Exhibit B](#).

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Atlanta, Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Atlanta, Georgia than in your own state.
2. **Short Operating History.** This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise with a longer operating history.
3. **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the Franchisor's financial ability to provide services and support to you.
4. **Spousal liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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**Item 1**  
**The Franchisor, And Any Parents, Predecessors, and Affiliates**

The Franchisor is Woodland Capital Franchising, Inc. which in this Disclosure Document will be referred to as “we”, “us”, “DOAN”, or “Franchisor”. “You” means the individual, corporation, limited liability, partnership or other business entity who acquires the franchise from us and includes all of your Owners (as defined below). We may refer to your Doan Group franchised business as the “Franchise” throughout this Disclosure Document.

**The Franchisor**

We are a Georgia corporation, incorporated on February 5, 2020. Our principal business address is 5090 Highway 212, Covington, Georgia 30016. Our telephone number is (770) 788-8328 and our website is [www.doan.com](http://www.doan.com) (collectively, with all other all associated web addresses, URLs, websites and web pages, social internet domain names, social media accounts, media sites and pages, and all related content and data the “Website”). We list our agents for service of process in Exhibit B. Our registered agent for service of process in the state of Georgia is Tim Davis, 5090 Highway 212, Covington, Georgia 30016. We operate under our corporate name and the trademark, Doan Group, as described in Item 13. We do not do business under any other names.

We began offering Doan Group franchises as of March 17, 2020. We do not currently own or operate any Doan Group businesses. Neither we or our affiliates, Woodland Capital and SCA Franchising (defined below), have previously offered or sold franchises for Doan Group businesses. We have not offered franchises for any other types of business than a Doan Group business.

**Parents, Predecessors and Affiliates**

Our first affiliate is Woodland Capital Holdings, Inc., a corporation organized under the laws of the state of Georgia, formed on February 5, 2020 (“Woodland Capital”). Woodland Capital held the exclusive licensing rights to the Marks and the Intellectual Property described below from The Doan Group, Inc. (“DG Inc.”). On March 9, 2020, Woodland Capital granted us worldwide non-exclusive rights to use and sublicense certain intellectual property including the Marks (defined below), copyrights, patents, know-how and trade secrets, owned and developed by Woodland Capital as well as any intellectual property developed by us or our affiliates (the “Intellectual Property”). We sublicense the Intellectual Property in connection with the sale of Doan Group franchises as part of a comprehensive system for the operation of a property and casualty damage appraisal business for personal and commercial vehicles and heavy equipment, using our methods, policies, procedures, systems, standards, specifications, know-how, information, training and assistance, business and insurance carrier relationships, advertising and promotional programs, quality and uniformity of services offered, all of which we may revise, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify, from time to time (the “System”). The System includes rights to certain trade names, service marks, trademarks, logos, emblems and indicia of origin, owned by or licensed to us, including, but not limited to, the mark “Doan Group”, and such other trade names, service marks, and trademarks as are now or hereafter used in connection with the System (the “Marks”).

Subsequently, on July 17, 2020, Woodland Capital acquired the Intellectual Property, the Marks and other assets of DG Inc. used in the Doan Group property appraisal business and the existing DG Inc. Operators were offered the option to continue to operate their Doan outlets as our Doan franchisees. We now continue to sublicense the right to us to offer and sell Doan Group Franchises and sublicense the use of the Intellectual Property, System and Marks to Doan Group franchisees.

The principal business address of Woodland Capital is the same as ours. Woodland Capital does not guarantee our obligations. Woodland Capital does not currently offer franchises in this line or in any line of business. Woodland Capital may provide certain training and administrative support and may promote the Doan Group name in non-franchise related endeavors. Woodland Capital may also conduct property and casualty appraisals throughout the United States through a network of independent contracting appraisers.

Our second affiliate is SCA Franchising Corporation, a California corporation incorporated in Burbank California on March 14, 2007 (“SCA Franchising”) with a principal business address of 3817 West Magnolia Boulevard, Burbank, California 91505. Its telephone number is (800) 572-8010. SCA Franchising licenses SCA Appraisal Service franchises providing vehicle damage appraisal services for insurance companies under the name “SCA Appraisal Services” and a separate disclosure document. SCA Franchising has been offering SCA Appraisal Services franchises since March 2007. As of February 28, 2025, there were 54 SCA Appraisal Services franchisees licensing 87 franchised locations.

Woodland Capital maintains relationships with insurance companies, independent adjustment companies and third-party administrators, which are in need of appraisals in their claims process (“National Accounts”). National Accounts referred to Woodland Capital include damage to automobiles, residential and commercial property and other structures, tractor-trailers, farm and other heavy equipment, boats, motorcycles, recreational vehicles, all-terrain vehicles (ATVs) and other passenger vehicles. Under the franchise being offered in this Disclosure Document, Woodland Capital’s National Account customers will refer appraisals to us and we will refer the appraisals to the appropriate franchisee, based on its territory.

We do not have any parents, predecessors or other affiliates required to be disclosed in this Item except as stated above. Neither we nor our predecessors or affiliates have offered franchises in other lines of business.

## **The Business**

Doan Group franchisees will operate a Doan Group franchised personal and commercial vehicle property and casualty damage appraisal business. We anticipate that Doan Group franchisees will be experienced appraisers. Our affiliate, Woodland Capital will establish and maintain relationships with National Account customers. Under the franchise being offered, the franchisee will perform all of the appraisal and related services and submit bills for appraisals it conducts directly to the National Account (the “Services”). Woodland Capital may collect amounts due and perform other administrative functions for the franchisees at its discretion.

National Accounts may also include separate lines of businesses like tangible property claims and ancillary services that are not, as of the date of this Disclosure Document, part of the scope of Services for standard Doan Franchise appraisal National Account customers. If you (1) obtain all required legal, regulatory, industry and professional licenses, permits and approvals and (2) otherwise meet our conditions for offering other lines of services, then we may allow you to opt-in to accepting these additional National Accounts.

Qualified Doan Group franchisees will sign our standard franchise agreement for an initial term of five (5) years with the right to renew for consecutive additional terms of five years each, provided you meet our standards for renewal, which may include you obtaining certain performance levels, and provided we are still in the business of offering and selling franchises. The current form of Doan Group Franchise Agreement (the “Franchise Agreement”) is attached as Exhibit C to this Disclosure Document. Doan Group franchisees will operate their franchised business within a protected territory (“Designated Territory”) that will be defined by population, zip codes, counties, or other municipal or natural boundaries that will differ based on the territory granted. If you are in good standing, then we may allow you the opportunity to

operate outside your Designated Territory if the geographic area is not being serviced by another Doan franchisee, corporate or affiliate location.

If you wish to purchase, and we agree to sell you, additional Franchises after you open your initial Franchise, you must sign our then-current form of franchise agreement for any additional Franchise that you wish to purchase. The terms of any then-current franchise agreement may differ from the Franchise offered under this Disclosure Document.

This Disclosure Document and the Franchise Agreement describe what can cause us to terminate your franchise. Each Franchise follows uniform procedures. Qualified and trained individuals must manage and/or operate your Franchise. You must comply with any and all local, state and federal guidelines regulating your franchise. We will give you a list of any approved products, supplies and vendors to use in the operation of your Franchise.

You will receive a training program enabling you to market and provide the appraisal services, although we anticipate offering Doan Group franchises only to experienced property and casualty appraisers. We and our franchisees will use the Marks in order to identify for the public the source of services and products marketed under the Doan Group System, and to represent the System's high standards of quality, appearance and service.

We may periodically make changes to the System, including changes to the System's methods, standards, signage, equipment, inventory, approved supplier and vendor requirements, software programs and customer service criteria. You may have to make additional investments in the Franchise periodically during the term of the Franchise Agreement to adopt these modifications, upgrades, improvements and changes, to comply with laws or regulations, to remain competitive in the industry, to meet the requirements of National Account customers, or for other business reasons.

The Franchise Agreement requires you to designate an "Operating Principal." Your Operating Principal must own at least 25% of the voting and equity interest in the Franchise and must have authority to make all decisions on behalf of the Franchise. You must obtain our approval of your Operating Principal. You must also designate at least one (1) full-time qualified appraiser to run the day-to-day operations of the Franchise and to oversee and conduct all Services (the "Designated Appraiser"). If required by the law where your Designated Territory is located, your Designated Appraiser must obtain required licensing to provide the Services and remain in good standing at all times. Your Operating Principal may act as the Designated Appraiser, or you may designate a Designated Appraiser. Your Operating Principal and Designated Appraiser must complete our initial training program to our satisfaction. You may also hire additional appraisers or personnel for your Franchise as you deem appropriate.

We require your Operating Principal, current and future owners, shareholders, members, partners, equity holders and principals ("Owners") and their respective spouses to sign a personal guaranty ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. We require all Owners, your Designated Appraiser and anyone who completes our initial training program to sign a Restrictive Covenant Agreement (non-competition, non-solicitation, assignment of intellectual property and confidentiality agreement) where permitted by law, in the form attached to the Franchise Agreement as Exhibit F. We require all other personnel who have access to our Operations Manual, National Account information or other confidential information to sign a Confidentiality and Non-Use Agreement, in the form attached to the Franchise Agreement as Exhibit G.

## **The Market and Competition**

The market for property and casualty appraisals is well established, fragmented and competitive. Your competitors will be businesses which may be independently owned or captive to specific insurance companies (for example, internal appraiser divisions at insurance carriers, car dealerships and collision repair businesses) and may be franchisees of other appraisal franchise systems. A distinguishing feature of the Doan Group System is our ability to assign appraisals to experienced adjusters for a variety of claim types promptly and reliably. The business is not seasonal, however certain types of claims may be more prevalent at certain times of year. Claim volume may be up and down during certain periods of the year due to weather related storms causing damage to vehicles or more cars on the road in the summer months.

## **Regulatory Matters**

You must comply with all federal, state and local laws and regulations that apply to your operations, licensing, workers' compensation, corporate, tax, environmental, sanitation, insurance, no smoking, EEOC, OSHA, non-discrimination, employment and sexual harassment laws. You must obtain and maintain any related permits, licenses, certifications or other indications of authority necessary for the operation of your Franchise.

Certain states require property damage appraisers to obtain licenses. Certain states also require property insurance adjusters to obtain separate licenses if the appraiser meets the definition of an insurance adjuster under state law or provides services deemed "adjuster" services. Certain states may require separate licenses or approvals depending on the type of property you are appraising on behalf of a customer. Most states have separate agencies and departments of insurance, often overseen by a designated insurance commissioner, that regulate the insurance industry and the requirements of such states vary. You should determine what laws apply to you before acquiring a franchise.

In addition, you must comply with all federal, state and local regulations regarding disposal of waste products and chemicals.

Failure to comply with laws and regulations is a material breach of the Franchise Agreement. We will not provide you with any assistance in complying with any licensing requirements currently in effect or which may be adopted in the future or any federal, local or state law, regulation or requirement applicable to your Franchise.

## **Item 2** **Business Experience**

### Timothy William Paul Davis - President.

Timothy William Paul Davis is our President and has held this position since our formation on February 5, 2020 serving in Burbank, California. Mr. Davis is also the President of SCA Franchising and has held this position since April 1, 2014. Mr. Davis has also served as the (a) President of SCA Franchising's affiliate, SCA Enterprises, Inc., located in Burbank, California since February 2011; and (b) CEO of Davis Claims Management, Inc., an affiliate of SCA Franchising located in Burbank, California since October 2005.

### Roger Crowley – Executive Vice President.

Roger Crowley is our Executive Vice President and has occupied this position since January 2022 serving in Franklin, TN. Prior to that time, Mr. Crowley was the Vice President of Sales & Operations in Franklin, TN from November 30, 2020 to December 2021, and the Assistant Vice President of Property Damage Appraisers in Fort Worth, TX from October 2018 to November 2020.

Jean-Philippe (Jon) Gironda – Executive VP and Chief Operating Officer.

Jon Gironda is our Executive VP and Chief Operating Officer and has occupied these positions since our formation on February 5, 2020 serving in Richardson, Texas. Mr. Gironda is also the Executive VP and Chief Operating Officer of SCA Franchising and has held these positions since October 2017 serving in Richardson, Texas.

Monica Warner - Chief Financial Officer and General Manager of Franchise Administration.

Monica Warner is our Chief Financial Officer and General Manager of Franchise Administration and has occupied these positions since our formation on February 5, 2020 serving in Burbank, California. Ms. Warner is also the Chief Financial Officer and General Manager of Franchise Administration of SCA Franchising and has held these positions since March 14, 2007 in Burbank, California. She also has served as National Account Director of SCA Enterprises, Inc. since April 11, 2001 in Burbank, California.

Amanda Williams – Vice President, Corporate Services.

Amanda Williams is our Vice President, Corporate Services and has occupied this position since June 2021 serving in Covington, Georgia. Prior to that time, Ms. Williams was the Vice President of DG Inc. in Covington, Georgia from November 2018 to June 2021, and the Senior Director of Operations of DG Inc. in Covington, Georgia from October 2015 to November 2018.

**Item 3**  
**Litigation**

No litigation is required to be disclosed in this Item.

**Item 4**  
**Bankruptcy**

No bankruptcy is required to be disclosed in this Item.

**Item 5**  
**Initial Fees**

**Initial Franchise Fee**

You must pay us an “Initial Franchise Fee” of \$10,000 in a lump sum at the time you sign your Franchise Agreement for our standard size of Designated Territory. The Initial Franchise Fee is uniform for all similarly situated franchisees. We reserve the right to increase or decrease the Initial Franchise Fee based on the (1) population density, (2) needs of our National Accounts and (3) geography and size of the territory where your Franchise is located. The range for an Initial Franchise Fee depending upon these factors is \$10,000 to \$50,000. The Initial Franchise Fee is deemed fully earned upon payment and, in consideration of administrative and other expenses we incur in granting this Franchise and for our lost or deferred opportunity to offer the Franchise to others and is nonrefundable under any circumstances.

We may discount the Initial Franchise Fee for franchisees who purchase multiple franchises or multiple territories, or for franchisees that offer special qualifications to the System, including having a current book of business. During the most recent fiscal year, we collected Initial Franchise Fees ranging from \$0,000 to \$24,000.

## **Initial Training**

We do not charge for your Operating Principal and Designated Appraiser (for a total of two (2) people) to attend our initial training program, but you are responsible for all of your attendees' travel costs, expenses and wages incurred during the initial training program.

Except as described above, we do not require you to pay us or any affiliate of ours any fees for products or services you purchase from us or them before you open your Franchise.

## **Item 6** **Other Fees**

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	22% based on Gross Revenues	We will advance payment to you weekly based on your billings to the insurance companies or other referral source net of royalties and other payments due to us.	We will make payments of the "Net" amount due to you on Friday for work completed the prior week Saturday to Friday midnight (12:00 a.m.). See Notes 1, 2, 3, 4, 5.
National Brand Marketing and Advertising Fund ("Brand Fund")	We do not currently charge a fee, but we reserve the right to impose a Brand Fund fee up to 2% of Gross Revenue ("Brand Fund Fee")	The Brand Fund Fee payment will be due weekly on Friday based on revenues from the prior Saturday through Friday by ACH.	We will utilize the Ad-Fund to promote the System and public awareness of our products and services.
Assignment Write up and Dispatch Administrative Fee	7.5% of Gross Revenues on a continuing basis or per file for individual occurrences.	Payment will be due weekly on Friday based on revenues from the prior Saturday through Friday by ACH.	This service is provided on a temporary basis upon your request and subject to our availability. See Note 4.
Inventory Management and Statusing Administrative Fee	5.0% of Gross Revenues on a continuing basis or per file for individual occurrences.	Payment will be due weekly on Friday based on revenues from the prior Saturday through Friday by ACH.	This service is provided on a temporary basis upon your request and subject to our availability. See Note 4.
Quality Control Review Administrative Fee	5.0% of Gross Revenues on a continuing basis or per file for individual occurrences.	Payment will be due weekly on Friday based on revenues from the prior Saturday through Friday by ACH.	This service is provided on a temporary basis upon your request and subject to our availability. See Note 4.
Billing and Delivery Administrative Fee	7.5% of Gross Revenues on a continuing basis or per file for individual occurrences.	Payment will be due weekly on Friday based on revenues from the prior Saturday through Friday by ACH.	This service is provided on a temporary basis upon your request and subject to our availability. See Note 4.
Special Services Administrative Fee	\$35.00 min to \$400.00 per file for individual occurrences for franchisor assistance or the actual cost + 25% for Special Services outsourced to, and provided by, independent contractor or another franchisee or a third-party vendor.	Payment will be due weekly on Friday based on occurrences from the prior Saturday through Friday by ACH.	Special Services includes but is not limited to: Material Corrections/Revisions/Re-writes to Appraisal Reports, Estimates, Supplements, Photos, Documents or Documentation created by a franchise office or Special Administrative Services provided to a franchise office such as

Name of Fee	Amount	Due Date	Remarks
			dispute resolution, re-inspections, shop/vehicle owner/client meditation or interaction. You may request, but we are not obligated, to provide Special Services to you. See Note 4.
Assignment or Transfer Fee	\$5,000	Upon any assignment, sale, or transfer of the franchise.	Due upon transfer of your franchise.
Software Licensing Fees	\$189.00 - \$500.00 per month, per user	Monthly – as billed by us or software licensor	This fee is for the cost of your estimating software for providing vehicle, truck and property appraisals. We may increase this fee if the licensor increases the amounts charged under the license or if our administrative costs increase.
CCC Workflow Fee	Currently, none but we reserve the right to charge \$1.00-\$4.00 per claim file	Monthly – as billed by us or software licensor	This fee includes 'CCC Audit' Back-End Rules Based Intelligence Audit, 'CCC Analytics' and CCC 'RPS' Recycled Parts Service. Currently, this technology is bundled and provided to franchisees as part of its Software Licensing Fee but may not be in the future.
Technology Support Fee	\$100 per hour	Weekly	Payable only if you require us to assist you with supporting your technology.
Renewal	Our costs and expenses in evaluating and effectuating the renewal	None	If you are not in default in any of your obligations to us, and if you continue to meet our requirements for approving franchisees (including compliance with all renewal conditions), we are still offering Doan Group Franchises, your franchise agreement is renewable for additional five year periods.
Additional Training	\$1,000.00 per week, per attendee (if at our location) or trainer (if at your location) plus any travel/lodging expenses of our trainer if at your location.	Before training commences	Additional training is training requested by you in addition to initial training and continuing training. If you wish for additional attendees to attend our initial training program, we will waive the payment of the additional training fee if your attendees attend a regularly scheduled initial

Name of Fee	Amount	Due Date	Remarks
			training program. However, you will be responsible for all of your attendees' costs and expenses.
Continuing Training	Our costs and expenses to conduct such training.	Before training commences	Continuing training sessions are mandatory and may consist of in-person training, webinars, teleconference calls or online courses. The fee to attend such training will not exceed our out-of-pocket costs to provide the continuing training. You must also pay the wages, costs and expenses of any of your attendees.
Mandatory Additional Training	\$1,000 per week, per attendee (if at our location) or trainer (if at your location) plus any travel/lodging expenses of our trainer if at your location. This fee may increase depending on the type of services to be rendered or performed, the level of expertise required and the number of days services must be provided.	Before training commences	Upon your reasonable request and/or (i) if we determine it is necessary or appropriate, in our sole discretion, to protect the quality, integrity and/or reputation of the System, Marks and/or Intellectual Property; (ii) upon renewal of the Franchise Agreement; or (iii) upon a change in your Operating Principal or Designated Appraiser, we will (subject to availability) provide mandatory additional training.
Reimbursement Fee	Reimbursement amount paid plus an additional ten percent (10%) of the amount as an administrative charge.	The reimbursement fee is due to us within fifteen (15) days' of invoice by us.	If there is any instance where you owe to an Approved Supplier or other third party, we may the due amount on your behalf.
Reporting Non-Compliance Fee	\$150 per violation	As incurred.	If there is any instance of non-compliance with System Standards, you will pay us a non-compliance fee. If such non-compliance is ongoing, we may charge you One Hundred Fifty Dollars (\$150) per week until you cease such non-compliance. The non-compliance fee is in addition to all of our other rights and remedies.
Operations Non-Compliance Fee	\$450 to \$1,000 per occurrence.	As incurred.	If there is an instance of non-compliance for failure to comply with operational standards as required and specified under the Franchise Agreement, you will pay us an operations non-compliance fee, plus interest, costs and legal

Name of Fee	Amount	Due Date	Remarks
			fees.
Insurance Fee	Cost of the premium plus an administrative fee equal to ten percent (10%) of the premium	On demand.	Currently, you must purchase insurance from our Approved Supplier. If you are required to secure your own insurance and fail to do so, then we may secure the policy and charge you the premium plus a 10% administrative charge.
Meeting, Seminar and Conference Registration	Currently, no fee but there may be a registration fee for our annual meeting or conference in an amount not to exceed the actual cost per attendee for such conference up to a maximum of \$1,500 per attendee.	On demand.	We may hold periodic in-person or teleconference seminars, meetings, conferences or conventions for franchisees. We may require your Operating Principal, Designated Appraiser or other managers to attend the convention. You are responsible for the registration fee and all travel, food, and lodging expenses that you and your personnel incur in attending. We will not require you to attend travel to an in-person event more than annually.
Late Fee	2% of the amount due	When we request	You must pay a late fee on any past due amounts to us.
Insufficient Fund Fees	\$100 per occurrence	Immediately upon demand.	Payable if any of your payments to us are not honored by your financial institution.
Audit Fee	Our cost of inspection and audit	Upon billing	See Note 5
Indemnification	Will vary under the circumstances	As Incurred	You must reimburse us if we are held liable for damages or other relief related to the operation of your Franchise.
Costs and Attorney's Fees	Will vary under the circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement.

**NOTES:**

1. Unless we note otherwise, all fees are uniformly imposed and are payable to us. None of the fees listed in Item 6 are refundable under any circumstances. We also reserve the right to require you to pay all fees by automatic bank drafts. To facilitate the automatic bank draft, you must execute the documentation that we or your bank requires.

2. “Gross Revenues” means the amount of all your revenues and income related to your Franchise whether for cash or credit and regardless of collection and including exchanges in kind or for barter. Gross Revenues include, without limitation, amounts you receive or are entitled to receive from the appraisals you perform, whether or not such they were conducted in compliance with or in violation of the Franchise Agreement. Gross Revenues also include insurance proceeds you receive for loss of profit or business or for damage to goods or merchandise.

3. Unless otherwise agreed to between us, you will invoice the insurance company or other third-party referral source for which you performed the appraisal and you will enter the transaction in our Claims Management System. We will advance you on a weekly basis by ACH the Gross Revenues you or us have invoiced, minus the Royalty Fees and other payments that are owed to us. If full payment for any invoice is not collected within 120 days of the date of the invoice, then we will deduct from your advances, uncollected amounts at 100% of the Gross Revenues for the invoice. Alternatively, we may deduct by ACH or we may demand you remit deficiencies owed by cash or check within five days’ of notice.

By way of example only, if you invoice \$100 one week and the only payments due to us are Royalty Fees, then we will advance you \$78.00 (\$100 minus \$22.00 for Royalty Fees we expect to collect from the invoice). If full payment is not collected for that invoice within 120 days of the date of the invoice, then we will deduct \$100 representing the full amount of the invoice from your future advances or demand you remit any deficiencies. You will be solely responsible for collecting the \$100 invoice after 120 days.

4. Franchisees are required to manage all aspects of an appraisal file, including files received by insurance carriers, referral sources and other national accounts from the initial write-up to the delivery to the client. If you cannot manage any portion of the appraisal file due to temporary staffing issue or other reasonable cause, then we may, subject to availability, provide temporary assistance at the rates as shown in the table above. Corporate assistance may not exceed the greater of (i) 30 days’ in a calendar year or (ii) 30 appraisal files in a calendar year. If your Franchise exceeds this limit, then we may declare a default under the Franchise Agreement, which may result in termination of your Franchise.

5. We have the right to examine or audit your books, records, state sales tax returns and accounts. If an audit establishes that your reports or profit and loss statements have understated any amounts for any period of time by two percent (2%) or more, then you must pay the audit’s cost and our expenses, including the travel, fees, wages, lodging and meal expenses of the persons who conduct the audit. Otherwise, we pay the cost of the audit. You must promptly pay us any deficiencies established by an audit, together with interest on all understated or past-due amounts. Interest is the lower of one and one-half percent (1.5%) per month or the highest rate allowed by law.

**Item 7**  
**Estimated Initial Investment**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
	<b>Low-High</b>				
Initial Franchise Fee <sup>1</sup>	\$10,000	\$50,000	Lump sum or may be financed	Upon signing Franchise Agreement	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low-High				
Rent and Security Deposit – 3 months <sup>2</sup>	\$0	\$2,000	Monthly – as required by Landlord	As arranged	Lessor
Leasehold Improvements <sup>3</sup>	\$0	\$2,500	As negotiated	As negotiated	Landlord and contractors
Equipment, Computer Hardware and Software <sup>4</sup>	\$1,000	\$2,000	As arranged	As arranged	Suppliers
Business Licenses and Permits <sup>5</sup>	\$100	\$1,000	Lump sum	Prior to opening	Government agencies
Utility Deposits <sup>6</sup>	\$0	\$1,000	Lump sum	As arranged	Utilities
Insurance <sup>7</sup>	\$300	\$1,500	As incurred	Prior to opening	Insurance providers
Professional Fees <sup>8</sup>	\$50	\$2,000	As incurred	As incurred	Attorneys & Accountants
Software License Fees (3 months) <sup>9</sup>	\$750	\$3,000	As Incurred	When invoiced	Us and Licensors
Training Expenses <sup>10</sup> (Includes travel and lodging)	\$800	\$1,500	As arranged	As arranged	Vendors
Additional Operating Funds (3 Months) <sup>11</sup>	\$600	\$1,500	As incurred	During first 90 days of operations	Various suppliers
<b>Total Initial<sup>12</sup></b>	<b>\$14,050</b>	<b>\$68,000</b>			

**NOTES:**

All expenditures paid to us or our affiliates are non-refundable under any circumstances once paid. Fees paid to vendors, suppliers, or other third parties may or may not be refundable depending on their policies or your arrangements with them.

1. Initial Franchise Fee. We describe the Initial Franchise Fee in Item 5. The Initial Franchise Fee is nonrefundable under any circumstances. We may agree to finance your Initial Franchise Fee if you meet our financial and credit requirements and other standards for qualification.

2. Rent And Security Deposit. You may operate your Doan Group business from a home or from a commercial office space, if necessary, to accommodate multiple employees. If you choose to rent commercial office space, then we estimate that a space of between 500 and 1,500 square feet should be adequate. You may locate the office anywhere within your territory. We do not provide site selection or any other assistance to you related to your location or leasing of your office.

3. Leasehold Improvements. The expenditure for leasehold improvements will vary, depending on the tenant improvement allowance, if any, provided by your landlord. We do not provide sample plans for your office. You may build-out your office in any manner that meets your needs.

4. Equipment, Computer Hardware and Software. The equipment that you will need to operate your Franchise includes certain computer hardware and software, desks, and other miscellaneous office furnishings. The low estimate assumes you already own a computer, desk and basic office furnishings. The higher estimate assumes you are purchasing these items in new or gently used condition. If you lease or finance the purchase of these items, your monthly payments will be less, depending on the terms of the financing or lease.

5. Business Licenses and Permits. You must obtain the operational licenses and permits required by applicable federal, state and local law. All required licenses and permits must be in place and in good standing at all times during the term of your Franchise Agreement. You and your personnel may be required to obtain appraisal or adjuster licenses. Building permits are not included in this item as they have been accounted for in the Leasehold Improvements line item.

6. Utility Deposits. We estimate that you will have to pay deposits on utilities and phones. Utility deposits will vary based on your creditworthiness, location and other factors.

7. Insurance. You must obtain the types of insurance that we require as described in the Franchise Agreement and Operations Manual. All policies must: (i) insure you; (ii) name us as an additional insured; (iii) require that your insurance carrier must give us at least 30 days written notice for any cancellation or modification of your policies; and (iv) contain a waiver by the insurance carrier of all subrogation rights against us and other parties covered by the insurance. Your insurance costs may not be uniform because insurance premiums differ depending on your location, your insurance company's assessment of the risk of insuring you, the amounts of insurance you need, your claims history, applicable law in the jurisdiction where your Franchise is located and general economic conditions. Currently, you must purchase insurance coverage through a program we administer.

8. Professional Fees. This amount includes expenses you will incur to obtain legal counsel to review the Franchise Agreement and this Disclosure Document and to form your business entity and obtain an accountant.

9. Software License Fees. This amount includes costs for you to license the necessary estimating software from us or the licensor for the first three months of operation. The low estimate assumes that you only need the automobile estimating software and only have your Designated Appraiser using the software. The high estimate assumes that you will use Auto Estimating System, AdjustRite Truck Estimating System, Xactimate Property Estimating System (CCC Auto Estimating System at 189.00 per month, AdjustRite Truck Estimating System at 50.00 per month, Xactimate Property Estimating System at 255.00 per month - all systems are per month, per user).

10. Training Expenses. We provide instructors and instructional materials for the initial training and do not charge a fee for initial training for your Operating Principal and Designated Appraiser (or one other trainee if your Operating Principal and Designated Appraiser are the same person), but you will need to arrange for transportation to the training location and pay for all expenses for your attendees including lodging, food and any wages. The cost will vary depending on the distance you and your attendees must travel and the type of accommodations you choose. This estimate does not include the labor costs associated with your attendees' attendance at initial training. The low estimate contemplates your attendees commuting to the training on a daily basis.

11. Additional Operating Funds. This category covers the initial expenses you will likely incur while you establish your Franchise. This is only an estimate, and we cannot guarantee that the amounts specified will be adequate. You may need additional funds during the first 3-6 months of initial operations or afterwards. In addition, the estimates presented relate only to costs associated with the Franchise, and do

not cover any personal, “living”, unrelated business or other expenses you may have, such as royalty payments, or debt service on any loans.

12. Total. The high/low amounts are based on one Franchise and will vary based on the size of your Designated Territory, the geographic area where your Franchise is located, and the number of personnel you hire. We have relied on the experience of our principal officers’ experience in the operation of our affiliate for this information.

### Item 8 Restrictions on Sources of Products and Services

We and our owners and affiliates have spent considerable time, effort and money to develop the System. You must conform to our high and uniform standards of quality in operation your Franchise and providing the Services, including standards related to response time, appearance, and safety, including those standards and requirements imposed by our National Accounts. We anticipate that our standards will change over time. You are expected to adhere to these changes. To ensure that you maintain the highest degree of consistency, quality and service, you must operate and develop your Franchise in strict conformance with our methods, standards and specifications and obtain certain inventory, services, supplies, materials, equipment, and other products, including your uniforms, advertising materials, computer hardware, and software, in strict compliance with our specifications and only from us, our affiliate or the authorized manufacturers, distributors, suppliers, vendors, merchants or providers designated or approved by us. Our methods, standards and specifications (the “System Standards”) are prescribed in our operations manuals and other written manuals, guides, instructions and communications whether on paper, Internet or in other electronic format (together, the “Operations Manuals”).

We reserve the right to implement quality assurance audit or otherwise establish a quality control or audit program or “secret customer” program to anonymously evaluate your operations and if we do, you must participate in the program. A significant level of negative feedback from your customers or an unsatisfactory result of a mystery shopper or customer program or quality assurance audit will be a default under your Franchise Agreement, and we may require you to participate in remedial training.

### Designated and Approved Suppliers and Specifications

You must purchase certain items, including the estimating software, certain equipment, marketing materials, insurance policies, and other products, and supplies from designated or approved suppliers, which may be limited to us or our affiliates. Although you do not receive any additional benefits from us for using the approved items, in order for us to protect and maintain our reputation and the goodwill of our System and our Marks, certain products, supplies, and equipment must be purchased from a supplier approved by us as meeting our quality standards. We call these suppliers “Approved Suppliers.” We will provide the list of Approved Suppliers, which we have the right to change, in the Operations Manual. We are currently the sole Approved Supplier of your insurance. We are not the Approved Supplier for any other products or services, but we or an affiliate may be an Approved Supplier or the only supplier of approved items in the future. We may designate makes and models of certain equipment which the franchisee may purchase from a supplier of their choice. We may revoke or deny our approval of a supplier if that supplier fails to adhere to or meet our quality standard or other requirements. Upon receipt of written notice of any revocation or denial, you must immediately cease selling any disapproved product and cease to purchase from any the disapproved supplier. You may submit to us a request for a new Approved Supplier. We will approve or disapprove a potential supplier no later than 90 days after you submit your request in writing to us. We do not maintain a list of criteria for our Approved Suppliers and we are not required to evaluate any request to approve a potential supplier. We do not charge a fee in connection with the evaluation of a potential supplier. None of our officers own an interest in any Approved Supplier. Neither we nor our affiliates have derived any revenue from franchisees’ purchases since February 28, 2025.

The equipment, products and supplies required to be purchased or leased in accordance with our specifications represent approximately 3% of your total purchases in connection with the establishment of a Franchise and approximately 2% of your total purchases in operating the Franchise.

In the event that we determine that a supplier or product no longer meets our specifications and change to an alternate supplier and/or product, we shall provide you with 30 days to exhaust your inventory.

Currently there are no purchasing or distribution cooperatives. We and our affiliate may negotiate supply and/or discount arrangements with suppliers for the benefit of our franchisees, but we are not required to do so. We do not provide material benefits to you as a result of your making purchases from approved suppliers.

We do not currently participate in or otherwise support any purchasing or distribution cooperatives.

### **Insurance**

You must obtain and maintain insurance policies protecting you and us in connection with certain demands or claims with respect to the operation of your Franchise in the minimum policy limits described in the Franchise Agreement and Operations Manual. You must maintain broad form comprehensive general liability coverage in the minimum amount of \$1 million and automobile insurance with policy limits of \$1 million per person for death or bodily injury, \$500,000 property damage, and \$1 million aggregate, including non-owned driver insurance for the automobile you use in your Franchise. You must also maintain statutory workers' compensation insurance; errors and omissions insurance in the minimum amount of \$2 million and cyber liability insurance in the minimum amount of \$1 million. We can change the required coverage and amounts. We make available to you, as a convenience, an insurance program which we require our franchisees to participate. We reserve the right to either discontinue offering our business insurance or to make it mandatory for you to participate in our business insurance program. Our current insurance program requires you to purchase insurance through a master policy issued to us. Our current insurance program does not include cyber liability insurance for data breaches or incidents outside the use of the Doan computer network. You will need to obtain a separate cyber liability insurance for incidents and claims occurring outside our Doan network. If we do not require that you participate in our business insurance program, you must provide us a copy of your insurance policies, meeting the insurance requirements outlined in this Item and the Operations Manual, and you must name us as additional insureds. We reserve the right to reject any insurance policy that you provide if it does not meet the required limits or standards of quality if in our sole opinion the insurance does not sufficiently protect us, you or your customers. If you fail to maintain at least the minimum required coverage for any reason, then we may (but are not required to) secure the coverage and you must reimburse us the premium costs to provide such coverage, plus our administrative fee equal to ten percent (10%) of the premium. We may also designate an insurance agency or broker as an Approved Supplier where you must procure your insurance from the designated agency or broker.

### **Modifications to the System**

Changes in the market, business conditions or other factors may occur during the term of your Franchise Agreement. As a result of those changes, we may make changes to the System which may include modifications to the Services you must offer, required insurance policies and coverage, suppliers, specifications, and other aspects of the System. You must comply with all of the changes that we make.

### **Item 9** **Franchisee's Obligations**

**This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.**

Obligation	Section in Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	2	11
(b) Pre-opening purchases/leases	9	5, 7, 8
(c) Site development and other pre-opening requirements	2(c); 5(a)(i)	11
(d) Initial and ongoing training	5(a); 9(k)	6, 7, 11
(e) Opening	9(b)	5, 7
(f) Fees	3; 7	5, 6, 11
(g) Compliance with standards and policies/Operations Manual	9(j); 12	8, 11, 16
(h) Trademarks and proprietary information	16	13, 14
(i) Restrictions on products/services offered	9(j)	8, 16
(j) Warranty and customer service requirements	9(j)(vi)	8, 11, 15, 16
(k) Territorial development and sales quotas	2(d)	12
(l) On-going product/service purchases	11(a); 11(b); 11(c); 11(d);	6, 8,
(m) Maintenance appearance and remodeling requirements	6	12
(n) Insurance	15(a); 15(b)	6, 7, 8
(o) Advertising	7(c); 8	6, 7, 11
(p) Indemnification	15(b)	6, 13
(q) Owner's participation/management/staffing	14(a)	15
(r) Records and reports	10	6, 9, 15
(s) Inspections and audits	10(b)	6, 8, 11
(t) Transfer	17	6, 17
(u) Renewal	4(b)	17
(v) Post-termination obligations	19	17
(w) Non-competition covenants	14(d); 14(e); 14(f)	15
(x) Dispute Resolution	20	17
(y) Personal Guaranty	7(k)	1, 15

**Item 10**  
**Financing**

We may agree to finance your Initial Franchise Fee if you meet our financial and credit requirements and other standards for qualification. If financing is offered, you will sign a Secured Promissory Note (the “Note”) which is attached to this Franchise Agreement as Exhibit I. The Note will be payable within 48 months. Interest will be charged on the outstanding principal balance at the lower of the (1) the highest rate allowed under law or (2) the prime rate plus 3% per annum. Repayment of the amount financed, and interest will be made by weekly deduction of the amounts advanced under the Note. We may secure the obligations under the Note with the weekly advances made to you. All amounts due will be personally guaranteed by your Owners. We have the right to file a UCC-1 Financing Statement. The debt may be pre-paid at any time without penalty. In the event that the Franchise Agreement is terminated prior to the repayment of the debt, the amount due will be accelerated and due upon termination. We have the right to collect reasonable attorney's fees and costs of collection in the event of default under the Note.

If you sign the Note, you will (i) waive demand, presentment for acceptance, presentment for payment, notice of dishonor, protest of dishonor, notice of intent to file suit, and diligence in collecting the Note; (ii) agree to any substitution, exchange, or release of any collateral securing the indebtedness evidenced by the Note for the release of any person or entity primarily or secondarily liable on the Note; (iii) agree that we and any assignee of the Note is not be required first to institute suit or exhaust its remedies against you or others liable or to become liable on the Note or to enforce our or any assignee's rights against any collateral then securing the payment of the Note in order to enforce payment of the Note against any collateral then securing the payment of the note or against anyone liable on the Note including you; (iv) consent to any extension or postponement of time for payment of the Note and to any other indulgence relating to the Note without notice; and (v) agree that neither our failure nor the failure of any assignee to exercise our or any assignee's right to accelerate the maturity of the indebtedness nor you or any other signer of the Note being granted indulgence shall be considered a waiver of our or any assignee's right of acceleration or estop us or any assignee from exercising said right.

If you sign the Note, you also agree that if you fail to make any payment of principal as required under the Note or otherwise upon an Event of Default (as defined in the Note attached to this Franchise Agreement as Exhibit I), the balance of Note will bear interest at the rate of ten percent (10%) effective as of the date of the occurrence of the Event of Default, subject to certain limitations.

If you sign the Note, you also agree that jurisdiction and venue for any and all claims, causes of actions, liabilities, controversies, and disputes between you and us or our assignee shall, at our option, be proper (a) in a federal court located in Fulton County, Georgia, or a state court located in Newton County, Georgia (b) or in your applicable State Court or Federal District Court. If you sign the Note and we assign the Note, then you will be barred from asserting any defense against the assignee which cannot be asserted against a holder in due course. You may lose all of your defenses against our assignee as a result of our sale or assignment of the Note.

We have not in the past and do not presently sell, assign, or discount to a third party, in whole or in part, any note, contract, or other instrument executed by any franchisee. However, we may in the future assign to a third-party notes, contracts, or other instruments executed by franchisees should we determine that this action is advisable or in our best interests.

**Item 11**  
**Franchisor's Assistance, Advertising, Computer Systems, And Training**

**Except as listed below, we are not required to provide you with any assistance.**

**Obligations Prior to Opening:** Before you open your Franchise, we will provide you with the following assistance:

1. We shall grant you a Designated Territory within which neither we nor any of our affiliates will sell, establish or operate another business under the "Doan Group" Mark (Franchise Agreement Section 2(d)).
2. We will provide you with our mandatory specifications for the equipment, software and supplies you will need to operate your Franchise. (Franchise Agreement Section 9(h))
3. After you sign your Franchise Agreement, and pay your Initial Franchise Fee, we will loan you or provide you with access to the electronic version of one copy of our Operations Manual which describes our methods of operation and includes other operational information. The Operations Manual remains our property, and you must give all parts, reproductions, etc. back to us when and if you no longer own and/or operate your Franchise. The Table of Contents of the Operations Manual is attached as Exhibit G to this

Disclosure Document. (Franchise Agreement Section 12(a)). The total number of pages in the Operations Manual is 16.

4. We will furnish you and your Operating Principal with the Doan Group initial training program (Franchise Agreement Section 5(a)).

Before opening, we do not provide you with any assistance with respect to (a) hiring or training your personnel; (b) locating a site and negotiating the purchase or lease of the site; (c) conforming the premises to local ordinances and building codes and obtaining any required permits; or (d) constructing, remodeling, or decorating the premises.

Obligations During Operations: During your operation of your Franchise, we will provide you with the following assistance:

1. Refer National Accounts with locations in your Designated Territory to you. (Franchise Agreement Section 2(e));

2. We will provide such general advisory assistance and field support as we deem helpful to you, in our discretion, in the ongoing operation, advertising and promotion of your Franchise. (Franchise Agreement Sections 5(a)(iii); 5(b));

3. We may also hold statewide, regional, or national conferences or conventions to discuss promotional techniques, performance standards, advertising programs and general topics. You are required to attend those conferences. We may charge a fee for these conferences (not to exceed our actual cost per person incurred in holding the annual conference, meeting or convention); you must pay for all of your travel and lodging expenses. (Franchise Agreement Section 9(g))

4. We will conduct periodic inspections of the Franchise licensed herein and periodic evaluation of the services rendered by its personnel. (Franchise Agreement Section 5(c));

5. As we determine necessary and appropriate, we will provide you with training on any services that you will be required to offer in the future. (Franchise Agreement Section 5(b))

6. Make available to you, as a convenience, an insurance program in which you may participate if you choose; provided that we reserve the right to either discontinue offering our business insurance program or to make it mandatory for you to participate in our business insurance program. (Franchise Agreement, Section 15(a))

7. We will collect the Brand Fund Fees and allocate amounts in the Brand Fund to promote Doan Group businesses throughout the System. We make no guarantee that any individual franchisees will benefit from the Brand Fund directly or indirectly from the promotions we conduct (Franchise Agreement Section 7(c); 8(a)).

After opening, we do not provide you with any assistance with respect to (a) hiring or training your personnel; (b) establishing prices; or (c) establishing and using administrative, bookkeeping, accounting, and inventory control procedures.

### Computer System

Before you open your Franchise, you must install the hardware and software we require for the computer system (“Computer System”). The computer hardware and software currently cost approximately

\$800. You must also obtain and install peripherals, power lines, and dedicated phone lines that meet our specifications. (Franchise Agreement Section 7(e); 9(h)).

You must install on your Computer System and use the most recent versions of MS Office 2000 or newer, Adobe, CCC1, Audatex, Mitchell, AdjustRite or Xactimate at our direction depending on the business needs in your Designated Territory. You may purchase this software from an approved supplier, which may be us or one of our affiliates. You must obtain upgrades and/or updates of the software no more than one time per calendar year. You must use this software to prepare all appraisals and supplements. You will use this system to track all of your transactions. You must generate and submit to us reports, which we prescribe from this software.

You must use the required software to optimally run your Franchise. You must purchase a license from a software vendor designated by us or sub-license the software from us, at our discretion. We have the right to modify our software requirements, without limitation.

You must obtain independent software and support for each of the computer hardware and software requirements and recommendations listed. If you ask us to provide technical assistance to you, we may charge you a Technology Support Fee of \$100 per hour (Franchise Agreement Section 7(f)).

We reserve the right to change or to require you to upgrade or update the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We are not required to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. We anticipate the annual cost for you to maintain, repair or update the Computer System will be between \$100 and \$500. We have independent, unlimited access to the information generated by the Computer System. We also have the right to use that information for the benefit of our System in any manner we chose. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing the Software License Agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the term of the Franchise Agreement. We do not currently require you to license any proprietary software from us or from our affiliates, however, we reserve the right to do so in the future.

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, data related problems and attacks by hackers and other unauthorized intruders (“E-Problems”). We do not guarantee that information or communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

We are not obligated to provide or assist you in obtaining, delivering or installing the Computer System or items or services mentioned above, conforming the premises to local ordinances and building codes or obtaining required permits, or constructing, remodeling, or decorating the premises, and/or hiring and training employees.

## **Advertising**

### **Local Advertising and Marketing**

We require franchisees to spend a minimum of four (4) hours per month conducting local marketing, advertising and promotional activities in their Designated Territory.

### **Advertising Cooperatives**

There currently is no Advertising Cooperative in place for the franchise system, nor do we have the authority to form an Advertising Cooperative or to require you to contribute to or participate in an Advertising Cooperative.

We do not have a franchise advisory council that advises us on advertising policies.

### **Internet Activities**

We will establish and maintain a website that provides information about the System and the products and services offered by franchisees and we will have sole discretion and control over it. We also have the sole right to create interior pages on our website(s) that contain information about your Franchise and other franchised and company owned locations.

You may not establish or maintain a separate website, splash page or other presence on the Internet through any internet or social networking site in connection with the operation of your Franchise, including, without limitation, Facebook, LinkedIn, Instagram, Snapchat, Pinterest, Google+, Twitter or YouTube, that uses any variation of the Marks or references the System without our prior written consent. We have the right to require you to remove any content or postings that we deem as inappropriate or that place the Doan Group System in a negative light. You are not permitted to use any Mark in any domain name that is not provided or pre-approved by us.

### **National Advertising and Brand Fund**

We do not currently charge a Brand Fund Contribution.

In the future if we require you to contribute a percentage of your weekly Gross Revenue, not to exceed 2% to the Brand Fund. will be payable on a weekly basis or as we otherwise direct in the Operations Manual (Franchise Agreement, Section 8(a)). We may however, require you to spend a minimum amount on local advertising.

We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Brand Fund will pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research and other advertising, promotion and marketing activities. The Brand Fund periodically may give you samples of advertising, marketing and promotional formats and materials at no cost and may sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for the Brand Fund separately from our other funds (but we are not required to maintain a separate account for the Brand Fund Fees) and will not use the Brand Fund for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs of the Brand Fund, travel expenses and overhead we incur in administering the Brand Fund and its programs, including, without

limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Brand Fund Fees. The Brand Fund is not our asset. The Brand Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Fund or any other reason. We will not use Brand Fund Fees for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert certain language as to the availability of franchise opportunities. For instance, a portion of the Advertising Fee may be used to create and maintain one or more pages on our website devoted to advertising Franchise opportunities and identifying and screening inquiries submitted by Franchise candidates. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund Fees in that year; borrow from us or others to cover deficits, or invest any surplus for future use. Any unspent accrued Brand Fund Fees for any calendar year will be used in the subsequent calendar years. We will use all interest earned on Brand Fund Fees to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement upon written request. We will not audit the Brand Fund. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. Our company-owned outlets are not required to contribute to the Brand Fund. Although the Brand Fund is intended to be perpetual, we may terminate the Brand Fund at any time, and we have no obligation to maintain the Brand Fund in perpetuity. If the Brand Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Brand Fund during the preceding twelve (12) month period. In the last fiscal year ended February 28, 2025, we collected a Brand Fund fees in the amount of \$83,623.04 and we spent a total amount of \$84,294.64 (101%). We spent 86% of the amounts collected on towards advertising and marketing on social media and marketing materials and the remaining 15% of the amounts collected towards the administration fee.

We intend the Brand Fund to maximize recognition of the Marks and patronage of Doan Group businesses. Although we will try to use the Brand Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Businesses in the System, we do not need to ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Brand Fund Fees by Doan Group businesses operating in that geographic area or that any Doan Group business benefit directly or in proportion to its Brand Fund contribution from the development or placement of advertising and marketing materials. We are not required to spend any amount for advertising in a franchisee's Designated Territory. We may forgive, waive, settle and compromise all claims by or against the Brand Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Brand Fund.

We may at any time defer or reduce the Brand Fund Fees and, upon 30 days' prior written notice, reduce or suspend Brand Fund Fees and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will distribute all unspent monies to all Doan Group businesses (whether franchised or operated by us or our affiliates) in proportion to their respective Brand Fund Fees during the preceding 12 month period.

#### Our Control Over Your Advertising

In order to promote a standard and professional marketing approach to the public, you may only use advertising and marketing materials that we have provided to you or that we have approved in advance. All advertising materials that we provide to you to promote your Franchise and the System generally are our property and we claim copyright protection over them.

We have the right to approve the media in which you propose to advertise. You must submit to us at least 10 days in advance, any proposal describing the media in which you propose to advertise, providing sufficient detail to permit us to evaluate it. We will have 10 days to approve or disapprove the use of our materials in the media you propose. If we have not approved the use of the materials within 10 days, they are deemed not approved. (Franchise Agreement Section 8(c))

## **Opening**

### **Site Selection**

You may operate your Franchise from premises that you own or lease. We do not require you to operate the business from a location other than a home office unless you are unable to operate the business from your home. You must locate your business at any location you wish within your Designated Territory.

We estimate that the length of time between signing of the Franchise Agreement or the first payment of consideration for the Franchise and the commencement of operation is approximately 30 days. In the event that you have not commenced business within 90 days from the signing of the Franchise Agreement, we may terminate the Franchise Agreement. Factors that may impact your ability to open within that time period include obtaining any required licenses or permits, how quickly your personnel can attend training, and other factors. We will grant reasonable extensions of time in the event the delay in opening is due to factors beyond your reasonable control.

### **Training Program**

We anticipate that we will only offer Doan Group Franchises to experienced property and casualty appraisers. We therefore do not anticipate offering a comprehensive initial training program on generally learning how to provide the Services at this time. We will offer training on the Doan Group system and File Management System to new franchisees on an as-needed basis. We anticipate that the training will be conducted through a teleconference or webcast. We do not charge for this initial training for your Operating Principal and one other attendee. Your Operating Principal, your Designated Appraiser, and all other appraisers and management personnel must complete the initial training program and it must be completed to our satisfaction. (Franchise Agreement Section 5(a)(i)). We may waive the requirement to participate and complete all or a portion of the initial training program based on the experience of the Franchisee, at our discretion.

The initial training will include the following topics:

### **TRAINING PROGRAM**

<b>Subject</b>	<b>Number of Hours of Classroom Training</b>	<b>Number of Hours of On-the-Job Training</b>	<b>Location</b>
Current Company Operating System – Currently eDoan	5	0	The initial training program will be conducted by in-person or via Teleconference or Webinar at our discretion
Standard Operating Procedures Manual	9	0	
<b>TOTAL</b>	14	0	

We anticipate that we will conduct the initial training on a monthly basis with additional sessions being scheduled an as-needed basis. We do not provide any on the job training.

The initial training program will be conducted by Amanda Williams or Jean-Philippe (Jon) Gironda as well as other employees and contractors of us and our affiliate. Ms. Williams and Mr. Gironda have a minimum of nine years (9) of experience in the subject each teaches. Other trainers will have a minimum of one (1) year of experience in the subject he or she teaches. We may also utilize outside trainers as we deem appropriate. The Operations Manual will be used as the principal instructional material.

You are responsible for making sure that your personnel are properly trained to our standards and requirements. Failure to complete the initial training program to our satisfaction may, at our option, result in: (i) the termination of the Franchise Agreement; or (ii) the requirement for you to designate a replacement Operating Principal within 30 days, who must successfully complete the initial training program to our satisfaction unless we waive that requirement.

We may hold an annual convention at a location to be selected by us. We will determine the topics and agenda for the conference to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding business operations, and recognizing franchisees for their achievements. You are required to attend the annual convention and to pay our then-current registration fee. If we charge a registration fee for the annual convention, you must pay the fee regardless of whether you attend. All expenses, including you and your employees' transportation to and from the annual convention, and lodging, meals, and salaries during the annual convention, are your responsibility.

We may offer to you, or require your and your Operating Principal, Designated Appraiser, employees and technicians, attendance at, additional, continuing or mandatory additional training programs, as we deem appropriate. We may designate some of the training as mandatory. As of the date of this Disclosure Document, we are not able to state or estimate the location, duration or frequency of any additional training programs. The programs will vary, depending on your needs, the needs of other franchisees and the System at the time the program is offered. Additional training is training requested by you in addition to initial training and continuing training and you must pay our fee for additional training, plus all of your and your attendees' costs and expenses incurred in connection with attendance at training. Our fee is \$1,000.00 per week, per attendee (if at our location) or trainer (if at your location) plus any travel/lodging expenses of our trainer if at your location. If you wish for additional attendees to attend our initial training program, we will waive the payment of the additional training fee if your attendees attend a regularly scheduled initial training program. However, you will be responsible for all of your attendees' costs and expenses incurred in connection with attendance at training.

Continuing training sessions are mandatory and may consist of in-person training, webinars, teleconference calls or online courses. The fee to attend such training will not exceed our out-of-pocket costs to provide the continuing training. You must also pay the wages, costs and expenses of any of your attendees. We currently do not anticipate offering more than one additional training program during a calendar year and we currently anticipate that each training program will last approximately 1 to 2 days.

Upon your reasonable request and/or (i) if we determine it is necessary or appropriate, in our sole discretion, to protect the quality, integrity and/or reputation of the System, Marks and/or Intellectual Property; (ii) upon renewal of the Franchise Agreement; or (iii) upon a change in your Operating Principal or Designated Appraiser, we will (subject to availability) provide mandatory additional training and you must pay us our fee for the mandatory additional training.

Our fee is \$1,000 per day, per attendee (if at our location) or trainer (if at your location) plus any travel/lodging expenses of our trainer if at your location. This fee may increase depending on the type of services to be rendered or performed, the level of expertise required, and the number of days services must be provided.

**Item 12**  
**Territory**

You will operate your Doan Group Franchise from a location that we have approved. If you have not determined a location for the Franchise at the time you and we sign the Franchise Agreement, the specific location will be inserted in an appropriate addendum. You may relocate the business to any location you chose provided it is within your Designated Territory. You may establish multiple offices within your Designated Territory without our consent, but you must notify us of the locations.

We assign you a specific Designated Territory within which we and our affiliates agree not to open or grant any other party the right to operate an appraisal business under the Doan Group Marks, so long as you are not in default under your Franchise Agreement. The size of your Designated Territory will be defined by municipal or county boundaries, or by contiguous zip codes. We determine Designated Territory and the population located within the Designated Territory based on information derived from the latest U.S. Census.

Unless we authorize and approve it in writing, you may not engage in any promotional activities or market our products or services, whether directly or indirectly, through any common carrier electronic delivery system including telephonic or electronic communications, or catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere outside your Designated Territory. Similarly, you may not perform appraisals outside your Designated Territory unless we authorize and approve it in writing. When permission to solicit or promote business outside your Designated Territory is granted, the following conditions apply: (i) solicitation is limited to that area not licensed by another franchisee under a Franchise Agreement and not serviced by a company or affiliate owned Doan Group business; and (ii) when the territory is granted to another franchisee, you must immediately stop performing appraisals in that area.

Franchisees are also expected to market and solicit customers directly within their territories. In our sole discretion, we may allow Doan Franchisees to utilize SCA franchisees located in or surrounding the Doan Franchisee's territory as independent contractors to provide services to customers. Additionally, we may allow you to enter into independent contractor agreements with one or more SCA franchisees located in or around your territory and service referrals, customers or national accounts of an SCA franchisee without violating the terms of your restrictive covenants with us. Your franchised business must be in full compliance with the terms of your franchise agreement and our System Standards (as described in Item 8) to provide services to SCA franchisees.

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not include (i) any right to offer any product or service via e-commerce; or (ii) any right to establish an independent website or to establish a URL incorporating any of the Marks or variations of the Marks. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any other rights:

- (1) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering similar products and services, within your Designated Territory under different marks and on any terms and conditions we deem appropriate;
- (2) the right to operate, and to grant others the right to operate Doan Group businesses located anywhere outside your Designated Territory under any terms and conditions we deem appropriate and regardless of proximity to your business location;

- (3) the right to use alternate channels of distribution such as direct mail, catalogue sales, telemarketing, and the internet both within and outside of your Designated Territory to offer appraisal or other services under trademarks that are the same or different than the Marks that you will use under the Franchise Agreement;
- (4) the right to acquire the assets or ownership interests of one or more businesses providing services similar to those provided by Doan Group businesses, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Designated Territory);
- (5) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing services similar to those provided by Doan Group businesses, even if such business operates, franchises and/or licenses competitive businesses in your Designated Territory;
- (6) the exclusive right to engage in adjustment work, estimate review, diminished value reports and subrogation matters or other services which are not within the scope of Services licensed to be offered by your Franchise within your Designated Territory; and
- (7) the exclusive right to perform inspections and appraisals of vehicles and equipment on behalf of financial institutions and auction businesses within your Designated Territory.

We are not required to pay you if we exercise any of the rights specified above inside your Designated Territory. Because we reserve the rights listed above, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

On renewal, we may modify your Designated Territory to account for shifts in population or increased volume from our National Accounts.

Continuation of your territorial protection is not dependent on your achieving a certain sales volume, market penetration, or other contingency but your Franchise must be able to meet the needs of its customers, including all National Accounts, in accordance with System standards. We do not grant franchisees options, rights of first refusal, or similar rights to acquire additional Franchises.

**Item 13**  
**Trade Marks**

We grant you the right to operate your Franchise under the Mark “DOAN GROUP” and to use other Marks, we may designate under the System. We will grant you a license to use the Marks we designate, and you will use them in compliance with the requirements of the Doan Group System.

DG Inc. has registered the following Trademarks on the principal register with the United States Patent and Trademark Office (“USPTO”):

<u>MARK</u>	<u>REGISTRATION DATE</u>	<u>REGISTRATION NUMBER</u>
	October 8, 2019	5877558
	June 21, 2016	4982655
THE DOAN GROUP	June 21, 2016	4983293

Under a license agreement, as amended, between us and Woodland Capital (the “[License Agreement](#)”) Woodland Capital has licensed to us the non-exclusive right to use, and sublicense the use of, the Marks, Intellectual Property and System in connection with the offer, sale and operation of Doan Group Franchises. The License Agreement is for a term of 20 years and will renew automatically for additional 20-year terms after the expiration of the initial term unless Woodland Capital or we terminate the license. However, termination of the license agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Mark.

We intend to file all affidavits or renewal filings as and when they come due. There are no effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator, and there are no pending infringements, interferences, opposition or cancellation proceedings or other material litigation involving the Marks.

With the exception of the License Agreement, there are no agreements currently in effect which significantly limit our right to use or license the use of the Marks in any manner material to you. We do not know of any infringing uses that could materially affect your use of the Marks.

We place certain controls on your use of the Marks. Specifically, you must acknowledge and agree that: (i) you have no right, title, or interest in or to the System, including the Marks, or the associated goodwill, except the limited revocable non-exclusive license to use the System as shown in the Franchise Agreement; (ii) you will use and display the Marks only in relation to the operation of the Franchise and as we approve or direct unless we authorize you, in writing, to use the Marks otherwise; (iii) you will apply the “®” symbol to all registered Marks, the “TM” or “SM” symbols to all non-registered Marks, and the “©” symbol to all copyrighted material, as we direct; (iv) your use of the Marks, and all goodwill related to your use of them, will inure to our benefit; and (v) you will sign all documents we deem necessary to protect the Marks.

In addition, you must acknowledge and agree that unless we expressly authorize you to do so in writing, you will not; (i) use or register any Mark, any part of any Mark, or anything similar, as part of the name of the Franchise, except that you will file a Fictitious Name registration of a name we approve, with the appropriate county or state authority that includes the Mark “DOAN GROUP” and will operate your Franchise using the Mark “DOAN GROUP” as the principal name of the Franchise; (ii) use or register any Mark, or any part of any Mark, or anything similar, as part of any Internet domain name or similar name; (iii) use any trademark, service mark, or other identifying characteristic in the operation of your Franchise, other than the Marks; (iv) offer or sell unauthorized services or products under the Marks; (v) use any Mark in any manner that may injure or disparage us or our reputation; or (vi) take any other action that would harm or jeopardize any Mark, or our ownership of any Mark, in any way.

In connection with your use of the Marks, you must: (i) identify yourself as an independent franchisee of ours in all public records that allow such identification; (ii) place on your business forms and checks the legend “An Independent Doan Group Franchisee,” or similar language we specify; and (iii) post in a public location in your office, a sign stating that:

“This Doan Group Franchise is independently owned and operated by [your full name] under a franchise agreement with Woodland Capital Franchising, Inc. [our then current address], [our then current telephone number].”

You must notify us promptly when you learn about an infringement of or challenge to your use of any of our Marks. We have the absolute right to take the action we think appropriate. You must not, under any circumstances, start any legal action relating to any of our Marks without first obtaining our written consent to do so.

If it becomes advisable at any time for us and/or you to modify or discontinue using any of our Marks and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses you incur in changing signage, for printing, for the loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

We will defend you against any third-party claim, suit, or demand arising out of your use of the marks. If we determine that you have used the Marks in accordance with the Franchise Agreement, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with the Franchise Agreement, you will be required to pay for the defense or to reimburse us for the costs we incurred in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Marks, you are required to sign all documents to assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

Upon expiration or termination of the Franchise Agreement, all of your rights to use the Marks will terminate automatically.

#### **Item 14** **Patents, Copyrights, and Proprietary Information**

There are no patents or copyrights that are material to the Franchise.

We claim common law rights and copyright protection in the System as well as a number of other items you will use in the operation of your Franchise, including our Confidential Operations Manual, and certain other materials and information related to the System, including our marketing and training

materials, our methods for operating your Franchise, and our specifications, marketing techniques, advertising programs, advertising strategies, expansion plans and other information we create or use. You may use these items only as we specify while operating your Franchise (and must stop using them if we so direct you). We have no pending patent applications that are material to the Franchise.

There currently are no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the System's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes training and operations materials, methods, formats, specifications, systems, standards, sales marketing techniques, knowledge and experience used in developing the System.

All ideas, concepts, techniques, or materials concerning a Doan Group business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent unauthorized disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights.

All information regarding our National Accounts, prospective customer or customer lists, Customer information and databases of Customer Data (as defined in the Franchise Agreement) from whatever source derived, will, at our request, and in any event when provided by you to us, be our property. You agree not to use such information, except in connection with your Franchise in accordance with the Franchise Agreement. You agree not to use, process, copy, display, publish, store or transfer the Customer Data without our approval. You agree to comply with all applicable laws with respect to Customer Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Customer Data, subject in all instances to applicable laws. You will promptly notify us if you become aware of or suspect any unauthorized access to the Customer Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling practices of Customer Data. You agree to indemnify us for all third-party claims related to your use of Customer Data.

### Item 15

#### **Obligation to Participate in the Actual Operations of the Franchise Business**

The Franchise Agreement requires you to designate an Operating Principal. Under the Franchise Agreement, your Operating Principal remains at all times responsible for the operations of the Business. Your Franchise must at all times be managed by the Operating Principal. The Operating Principal is

required to own a minimum of 25% of the voting and equity interest in the Franchise entity and will have authority to make all decisions on behalf of the Franchise and who will be the primary point of contact and designated manager of the Franchise. You must obtain our approval of your Operating Principal. Your Operating Principal must successfully complete our initial training program and all required additional, continuing or remedial training by demonstrating to us appropriate levels of competence in the subject matters taught in the training program. If Operating Principal transfers his or her equity, you must designate a new Operating Principal who must successfully complete our initial training program within 30 days after the termination of the preceding Operating Principal, unless we waive that requirement. Your Operating Principal may designate the day to day activities, performance of services and management of the Franchise to a Designated Appraiser, but the Operating Principal will at all times remain responsible for the Franchise. We reserve the right to approve all Designated Appraisers.

We require your current and future Owners and their spouses to: (1) provide the financial information that we may reasonably require; (2) sign the Guaranty guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures; and (3) sign a Restrictive Covenant Agreement.

You must at all times keep us advised of the identity of your Operating Principal and Designated Appraiser. We may deal with the Operating Principal on the day-to-day operations of, and reporting requirements for the Franchise. You must hire all personnel for your Franchise and are solely responsible for the terms of their work, training, compensation, management, and oversight. We require you to obtain confidentiality, non-compete, and non-solicitation agreements from your management personnel, including you and your Operating Principal.

Also, your Operating Principal must oversee the maintenance of all accounting records, submit all weekly and/or monthly reports and balance sheets and income statements required under your Franchise Agreement, and submit to us copies of your annual federal, state and city income tax returns that relate to the operation of your Franchise.

We also require your Designated Appraiser and anyone who completes our initial training program to sign a Restrictive Covenant Agreement. We require all other personnel who have access to our Operations Manual, National Account information or other confidential information to sign a Confidentiality and Non-Use Agreement, in the form attached to the Franchise Agreement as Exhibit G.

We reserve the right to prohibit you from servicing a National Account, if you cannot or do not elect to provide services to any National Account in accordance with our arrangement with that National Account.

## **Item 16** **Restrictions on What the Franchisee May Sell**

You must perform only the appraisal and other services that we specify in the Operations Manuals or in any other written communication to you. You may not offer any goods or services which we have not specifically approved and must cease offering any goods or services which become unapproved or unauthorized. If you violate this policy, we can terminate the Franchise Agreement. In order to ensure uniform quality and identity of our Franchises, only goods and services which follow our approved rules and regulations are permitted. You also may not offer or promote any other business while performing the services of your Franchise.

We may modify the System, including adding types of services that you must offer at our sole discretion and will provide you with reasonable notice of any changes. You must add to, delete from, or modify the services you offer as we deem appropriate. There is no limit to the number or the type of changes we may make.

You may not provide any services that, in our sole and absolute discretion, may present a conflict of interest with any Doan Group Franchise, including all ownership and/or operation of any type of similar service we offer. You must conduct your Franchise in accordance with all applicable laws and regulations. These include the laws that we describe in Item 1.

**Item 17**  
**Renewal, Termination, Transfer, and Dispute Resolution**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.**

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4(a)	Initial Term is for 5 years.
b. Renewal or extension of the term	4(b)	If we are still franchising and you are in good standing and we are still offering and selling franchises, then you may renew your franchise for additional 5-year consecutive terms. Upon the grant of a renewal franchise, you will sign our then current franchise agreement, which may be materially different.
c. Requirements for franchisee to renew or extend	4(b)	Give us timely notice; be in good standing under your current agreement; fulfilled all monetary obligations to us; have been in substantial compliance with the franchise agreement for its initial and any renewal terms and are in compliance at the time you request to renew; execute a release of claims against us; pay the renewal fee; sign then-current franchise agreement which may be materially different from the original franchise agreement; and meet all then-current training requirements.
d. Termination by franchisee	None	Franchisee has the right to terminate the Franchise Agreement in the event of material breach by Franchisor, subject to state law.
e. Termination by franchisor without cause	None	We can only terminate the Franchise Agreement with cause.
f. Termination by franchisor with cause	18(a); 18(b)	We can only terminate the Franchise Agreement for cause.
g. "Cause" defined – curable defaults	18(c)	We have the right to terminate the Franchise Agreement after providing you a 30 day cure period if you fail to perform or comply with any one or more of the terms and conditions of the Franchise Agreement not deemed as non-curable
h. "Cause" defined – non-curable defaults	18(a); 18(b)	The Franchise Agreement shall automatically terminate without notice or an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for your Franchise; (ii) proceedings are commenced to have you adjudicated bankrupt or to

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		<p>seek your reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Franchise without your consent, and the appointment is not vacated within 60 days; (iii) you purport to sell, transfer, or otherwise dispose of your interest in the Franchise without our written approval.</p> <p>We have the right to terminate the Franchise Agreement with notice but without permitting you the opportunity to cure if (i) you take part in any criminal acts or other misconduct that negatively impacts the Marks, the System, or your operation of the Franchise; (ii) you commit fraud in the operation of the Franchise; (iii) you make any misrepresentations in connection with your franchise application; (iv) you fail to complete our initial training program; (v) you receive 2 or more written notices of default within any 12 month period; (vi) you commit any fraud, criminal acts or other misconduct or make any misrepresentation to us relating to any agreement with us or our affiliates; (vii) you misuse the Marks or Confidential Information; (viii) you violate the in-term restrictive covenants of the Franchise Agreement; (ix) you abandon the Franchise; (x) you fail to comply with any governmental notice of non-compliance with any law or regulation within 15 days of the notice; (xi) you convert or attempt to convert for your own use any payments from customers or otherwise fail to deliver such payments to us; (xii) you purchase or sell any type of salvage.</p>
i. Franchisee's obligations on termination/ non-renewal	19	<p>Your obligations include: cease operation of the Franchise; pay all sums due to us; return the Operations Manual and all trade secret and confidential materials; cancel all trade-name registrations; provide us with information concerning your employees, clients, etc.; cease use of our methods, procedures, technology and techniques; cease all use of the Marks; remove all trade dress and other indications that identify you as a former franchisee of ours. You and all covered persons must comply with the post-term covenant not to compete. If termination is the result of your default, you must pay our reasonable attorney's fees and costs.</p>
j. Assignment of contract by franchisor	17(a)	No restriction on our right to assign.
k. "Transfer" by franchisee - defined	17(b)	Includes the direct or indirect sale, assignment, transfer, conveyance, gift, pledge, mortgage or otherwise encumbering any interest in the Franchise Agreement, the business or its assets, or any ownership change in you or your owners.
l. Franchisor approval of transfer by franchisee	17(d)	We have the right to approve all transfers in writing and will not unreasonably withhold approval.
m. Condition for franchisor approval of transfer	None	We will approve a proposed transfer if : (i) all of your accrued monetary obligations to us have been paid; (ii) all existing defaults under the Franchise Agreement have been cured; (iii) you execute a

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		general release in favor of us and our affiliates; (iv) you provide us a copy of the executed purchase agreement; (v) the proposed transferee meets our qualifications; (vi) the transferee executes our then-current franchise agreement; (vii) you or the transferee pays us a transfer fee of \$5,000; (viii) the transferee successfully completes our training program; (ix) you comply with the post-term provisions of the Franchise Agreement; (x) the transferee obtains all necessary licenses and permits required to operate the Franchise; (xi) the transfer is made in compliance with all applicable laws; (xii) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchise; (xiii) our approval of the transfer shall not constitute a waiver of any claims we may have against the transferor; (xiv) we shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning you and your Business as you have supplied to us; (xv) Franchisee must execute a covenant not to compete; and (xvi) we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.
n. Franchisor's right of first refusal to acquire franchisee's business	None	None
o. Franchisor's option to purchase franchisee's business	None	None.
p. Death or disability of franchisee	17(g)	Upon your death or disability, your representative must transfer your interest to an approved party within six (6) months. Such a transfer is subject to the same terms and conditions as any other transfer; no transfer fee if transferred to immediate family member.
q. Non-competition covenants during the term of the franchise	14(d)	Non direct or indirect involvement in a competing business. The term " <u>Competitive Business</u> " means any business that offers, markets, or performs property and casualty damage appraisals, pre-underwriting inspections, vehicle adjustment work, special investigation services, scope and photo services, or related services, or in any business which grants franchises or licenses to others to operate such a business other than a Doan Group business operated under a Franchise Agreement with us. You must not divert any business from your business or from us.
r. Non-competition covenants after the franchise is terminated or expires	14(d); 14(e); 14(f)	For a period of 24 months from the termination or expiration of the Franchise Agreement, you may not engage in a Competitive Business in your former Territory or within a 25 mile radius of your former Designated Territory (same restrictions apply after transfer). This provision is subject to state law.
s. Modification of the agreement	6	The Franchise Agreement may not be modified except by a written agreement that you and we both sign. We can modify or change the System Standards through changes to the Operation Manual and you

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		are bound by those changes.
t. Integration/merger clause	25	Only terms of the franchise agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document. Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	20	Except for certain claims, all disputes are subject to mediation and binding arbitration in Covington, Georgia. This provision is subject to state law.
v. Choice of forum	20(g)	Subject to arbitration requirements. We have the right to seek injunctive relief and you agree to be subject to the exclusive jurisdiction of the Newton County, Georgia Courts (subject to state law).
w. Choice of law	23	Except for the Federal Arbitration Act and other federal law, Georgia law governs (subject to state law).

A provision in your franchise agreement that terminates the franchise agreement on your bankruptcy may not be enforceable under Title 11, Businesses States Code Section 101 *et seq.*

**Item 18**  
**Public Figures**

We do not use any public figure to promote our Franchise.

**Item 19**  
**Financial Performance Representations**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchises and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item sets forth certain historical data submitted by our franchised locations (the “Franchised Locations”), including annual gross receipts for the period beginning on March 1, 2022 and ending on February 28, 2023 (the “2022 Measurement Period”), the period beginning on March 1, 2023 and ending on February 29, 2024 (the “2023 Measurement Period”), and for the period beginning on March 1, 2024 and ending on February 28, 2025 (the “2024 Measurement Period” and with the 2022 Measurement Period and the 2023 Measurement Period, collectively, the “Measurement Periods”). The Franchised Locations disclosed in this Item 19 were all open and operating for the entire Measurement Periods.

During the 2022 Measurement Period, there were twenty-five (25) franchised locations in operation for some portion of the 2022 Measurement Period. We excluded five (5) of these locations because they

all opened for business during the 2022 Measurement Period and have not been in operation for a year. These five (5) locations were not open and operating for the entire 2022 Measurement Period.

During the 2023 Measurement Period, there were eighteen (18) franchised locations in operation for some portion of the 2023 Measurement Period.

During the 2024 Measurement Period, there were twenty-six (26) franchised locations in operation for some portion of the 2024 Measurement Period.

All of the Franchised Locations included in this Item 19 are all the same type of Franchises being offered under this Disclosure Document (same in territory, services and operations).

**Some Franchised Locations have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

The chart below presents the date the Franchised Location commenced operation with us, the number of customer account claims serviced and the annual gross receipts, for each of the Franchised Locations during the 2022, 2023 and 2024 Measurement Period.

Location	Effective Date of Franchise Agreement <sup>(1)</sup>	2022 Measurement Period <sup>(2)</sup>		2023 Measurement Period		2024 Measurement Period	
		Number of Claims in 2022 <sup>(3)</sup>	2022 Annual Gross Receipts <sup>(4)</sup>	Number of Claims in 2023 <sup>(3)</sup>	2023 Annual Gross Receipts <sup>(4)</sup>	Number of Claims in 2024 <sup>(3)</sup>	2024 Annual Gross Receipts <sup>(4)</sup>
Franchised Location 1	7/15/2020	7,820	\$854,959.12	6,658	\$827,321.41	4,435	\$613,081.25
Franchised Location 2	7/15/2020	4,063	\$469,183.13	5,232	\$636,858.26	19,464	\$1,996,967.92
Franchised Location 3	7/15/2020	19,529	\$680,948.50	30,881	\$1,156,525.45	56,841	\$1,787,143.50
Franchised Location 4	10/1/2020	1,825	\$239,936.38	2,114	\$297,362.27	1,546	\$225,206.12
Franchised Location 5	7/15/2020	8,505	\$1,014,817.60	6,108	\$751,521.25	5,361	\$651,382.25
Franchised Location 6	7/15/2020	3,288	\$391,549.30	2,972	\$389,004.70	N/A	N/A
Franchised Location 7	3/29/2021	351	\$60,042.85	N/A	N/A	N/A	N/A
Franchised Location 8	3/29/2021	959	\$88,790.34	N/A	N/A	N/A	N/A
Franchised Location 9	1/1/2022	415	\$40,454.27	463	\$58,516.62	506	\$68,292.83
Franchised Location 10	4/5/2021	210	\$45,310.77	N/A	N/A	N/A	N/A
Franchised Location 11	3/29/2021	262	\$46,887.85	N/A	N/A	N/A	N/A
Franchised Location 12	3/29/2021	656	\$93,031.15	N/A	N/A	N/A	N/A
Franchised Location 13	3/29/2021	523	\$123,752.45	N/A	N/A	N/A	N/A
Franchised Location 14	5/17/2021	517	\$70,679.72	431	\$79,349.97	486	\$91,140.04
Franchised Location 15	9/5/2021	3,564	\$380,233.64	3,594	\$425,429.40	2,794	\$367,618.06

Location	Effective Date of Franchise Agreement <sup>(1)</sup>	2022 Measurement Period <sup>(2)</sup>		2023 Measurement Period		2024 Measurement Period	
		Number of Claims in 2022 <sup>(3)</sup>	2022 Annual Gross Receipts <sup>(4)</sup>	Number of Claims in 2023 <sup>(3)</sup>	2023 Annual Gross Receipts <sup>(4)</sup>	Number of Claims in 2024 <sup>(3)</sup>	2024 Annual Gross Receipts <sup>(4)</sup>
Franchised Location 16	4/5/2021	961	\$171,820.29	N/A	N/A	N/A	N/A
Franchised Location 17	4/5/2021	930	\$142,042.97	N/A	N/A	N/A	N/A
Franchised Location 18	9/5/2021	480	\$55,801.05	857	\$109,272.04	789	\$118,527.25
Franchised Location 19	3/29/2021	4,281	\$607,362.10	5,627	\$897,594.99	6,274	\$1,107,901.89
Franchised Location 20	4/5/2021	45	\$9,061.80	N/A	N/A	N/A	N/A
Franchised Location 21	10/9/2023	N/A	N/A	193	\$34,303.00	526	\$132,737.50
Franchised Location 22	10/2/2023	N/A	N/A	286	\$63,232.06	1,679	\$365,557.71
Franchised Location 23	10/17/2022	N/A	N/A	168	\$38,235.66	202	\$33,895.30
Franchised Location 24	10/17/2022	N/A	N/A	149	\$19,717.21	137	\$27,354.43
Franchised Location 25	9/19/2022	N/A	N/A	2,686	\$556,656.72	2,708	\$563,038.87
Franchised Location 26	10/17/2022	N/A	N/A	576	\$77,398.86	160	\$28,689.24
Franchised Location 27	9/15/2023	N/A	N/A	487	\$65,039.55	1,339	\$188,845.01
Franchised Location 28	3/25/2024	N/A	N/A	N/A	N/A	110	\$14,522.32
Franchised Location 29	9/3/2024	N/A	N/A	N/A	N/A	857	\$94,509.05
Franchised Location 30	9/16/2024	N/A	N/A	N/A	N/A	384	\$87,687.15
Franchised Location 31	9/16/2024	N/A	N/A	N/A	N/A	81	\$21,640.67
Franchised Location 32	3/25/2024	N/A	N/A	N/A	N/A	2,140	\$283,365.19
Franchised Location 33	9/23/2024	N/A	N/A	N/A	N/A	123	\$26,886.17
Franchised Location 34	9/16/2024	N/A	N/A	N/A	N/A	168	\$44,656.55
Franchised Location 35	4/22/2024	N/A	N/A	N/A	N/A	395	\$84,236.57
Franchised Location 36	9/3/2024	N/A	N/A	N/A	N/A	680	\$84,349.93

Notes:

1. This column shows the date the franchise license agreement was signed with each franchisee. Franchised Locations 1-5 were operators of a Doan license under a previous owner of the Doan brand.

2. Franchised Locations 21-36 where not in operation for the full 2022 Measurement Period so the figures are listed as “N/A” or “Not Applicable”.
3. “Claims” means the total number of vehicle appraisals completed during the applicable Measurement Period.
4. “Annual Gross Receipts” mean the amount of all cash collected, or other consideration received, including check, credit and debit card, barter exchange, trade credit, or other credit transactions, for all services provided by the Franchised Location during the applicable Measurement Period.

<b>Number of Claims</b>				
	<b>Average</b> <sup>(5)</sup>	<b>Median</b> <sup>(6)</sup>	<b>High</b>	<b>Low</b>
<b>March 1, 2022 to February 28, 2023</b>	2,959	946	19,529	45
<b>March 1, 2023 to February 29, 2024</b>	3,860	1,485	30,881	149
<b>March 1, 2024 to February 28, 2025</b>	4,238	735	56,841	81
<b>Gross Receipts</b>				
	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>March 1, 2022 to February 28, 2023</b>	\$279,333.26	\$132,897.71	\$1,014,817.60	\$9,061.80
<b>March 1, 2023 to February 29, 2024</b>	\$360,185.52	\$203,317.16	\$1,156,525.45	\$19,717.21
<b>March 1, 2024 to February 28, 2025</b>	\$350,355.11	\$106,518.15	\$1,996,967.92	\$14,522.32

5. “Average” is defined as the sum of the Number of Claims or Gross Receipts divided by the number of Franchised Locations in operation during the Measurement Periods.
6. “Median” is defined as the center of all Number of Claims or Gross Receipts data points used.

## **General Notes to Item 19**

This analysis does not contain complete information concerning the operating costs and expenses that you will incur in operating your business. This Item 19 also does not contain any information about fees that you must pay to us, such as royalty or advertising fees or other expenses such as rent.

Therefore, we recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow statements. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and other applicable taxes that you may incur in operating a Doan franchised business.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Amanda Hughes, Woodland Capital Franchising, Inc., at 5090 Highway 212, Covington, Georgia 30016, or (770) 788-8328, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **Item 20** **Outlets and Franchisee Information**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2023-2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	23	25	+2
	2024	25	18	-7
	2025	18	26	+8
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	23	25	+2
	2024	25	18	-7
	2025	18	26	+8

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2023-2025**

State	Year	Number of Transfers
CO	2023	1
	2024	0
	2025	0

FL	2023	0
	2024	0
	2025	1
LA	2023	1
	2024	0
	2025	0
ME	2023	0
	2024	0
	2025	1
NH	2023	0
	2024	0
	2025	1
NJ	2023	0
	2024	0
	2025	1
NY	2023	0
	2024	0
	2025	1
Ohio	2023	0
	2024	0
	2025	0
SC	2023	0
	2024	0
	2025	0
VT	2023	0
	2024	0
	2025	1
WV	2023	0
	2024	0
	2025	0
Total	2023	2
	2024	0
	2025	6

**Table No. 3**  
**Status of Franchised Outlets for years 2023-2025**

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets At End Of the Year
AL	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	1	0	1
	2025	1	0	0	0	0	0	1
CA	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	1	0	1
	2025	1	0	0	0	0	0	1
CO	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets At End Of the Year
CT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
DC	2023	1	0	0	0	1	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
FL	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
GA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
IL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
IN	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
KY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
LA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
ME	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MD	2023	1	0	0	0	1	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
MA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MN	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
MO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
MS	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
NH	2023	0	1	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets At End Of the Year
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NJ	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
NC	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Ohio	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
OK	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
PA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
RI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
SC	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
TN	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
TX	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
VA	2023	1	0	0	0	1	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
VT	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
WV	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
Total	2023	23	5	0	0	3	0	25
	2024	25	3	0	0	10	0	18
	2025	18	8	0	0	0	0	26

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2023-2025**

State	Year	Outlets Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets at End of the Year
Total	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings as of February 28, 2025**

State	Franchise Agreements Signed but Not Opened	Projected New Franchised Outlets In Next Fiscal Year <sup>(1)</sup>	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Arkansas	0	1	0
Colorado	0	1	0
Delaware	0	1	0
Indiana	0	1	0
Louisiana	0	1	0
Michigan	0	1	0
Mississippi	0	1	0
Nebraska	0	1	0
Nevada	0	1	0
Ohio	0	1	0
Pennsylvania	0	1	0
South Dakota	0	1	0
Wisconsin	0	1	0
Total	0	14	0

We list our current franchisees in Exhibit E attached hereto. Exhibit F contains the names, addresses and telephone numbers of every franchisee who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the Disclosure Document issuance date.

If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

We do not know of any trademark-specific franchisee organizations associated with the System.

**Item 21**  
**Financial Statements**

Attached as Exhibit D to this Disclosure Document is our audited financial statements dated May 5, 2025 for the year end February 28, 2025, February 29, 2024, and February 28, 2023. Our fiscal year end is February 28 of each year.

**Item 22**  
**Contracts**

Copies of the following agreements used in connection with the offering of a Doan Group franchise are attached as Exhibits:

Franchise Agreement –Exhibit C to Franchise Disclosure Document

Exhibit A -	Initial Franchise Fee, Designated Territory, Approved Location, and Franchisee Ownership
Exhibit B -	Financing Addendum
Exhibit C -	State Law Addendum
Exhibit D -	Authorization for Electronic Funds Transfer
Exhibit E -	Personal Guaranty of Franchisee's Principal Owners and Spouses
Exhibit F -	Non-Compete, Confidentiality and Non-Solicitation Agreement
Exhibit G -	Confidentiality and Non-Solicitation Agreement
Exhibit H -	Form of Release, Covenant Not to Sue, and Indemnification
Exhibit I -	Secured Promissory Note

Franchise Disclosure Document – Exhibit H - Statement of Prospective Franchisee (page 174)

**Item 23**  
**Receipt**

The last two pages of this Disclosure Document (Exhibit I) are detachable documents acknowledging that you received this Disclosure Document.

## EXHIBIT A

### **STATE REGULATIONS AND REQUIREMENTS ADDENDUM**

The following are additional disclosures for our Multistate Franchise Disclosure Document. Various state franchise laws require us to make these additional disclosures. These additional disclosures will not apply to you unless you meet the jurisdictional requirements of the applicable state franchise registration and disclosure law independently without reference to these additional disclosures. These disclosures supplement our Disclosure Document and supersede any conflicting information contained in the main body of the Disclosure Document:

#### **FOR THE STATE OF CALIFORNIA**

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
3. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
4. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
5. Item 3 of the Disclosure Document is amended to provide that:

Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

6. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*)
7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.
8. The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.
9. The Franchise Agreement requires litigation to be conducted in a court located in Georgia. This provision might not be enforceable for any cause of action arising under California law.

10. The Franchise Agreement requires application of the laws of the State of Georgia. This provision might not be enforceable under California law.
11. The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Item 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.
12. The following URL address is for the franchisor's website:

www.doan.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfp.ca.gov](http://www.dfp.ca.gov).

13. The highest rate of interest allowed in California is ten percent (10%) per annum.
14. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act.
15. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
16. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**
17. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

#### **FOR THE STATE OF CONNECTICUT**

1. Item 3 is amended to read as follows:

Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

Neither Franchisor nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

#### **FOR THE STATE OF HAWAII**

1. The Franchise Agreement has been amended as follows:

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 4(b), 16(b) and 18, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

Sections 4(b)(v), 18(b)(iii) and 18(b)(vi) of the Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

Sections 18(a) and 18(b) of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

2. Registered agent in the state authorized to receive service of process:

Commissioner of Securities  
Department of Commerce & Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii, 96813  
(808) 586-2722

3. The Receipt Pages are amended to add the following:

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST FOURTEEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST FOURTEEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

4. Item 3 of the Disclosure Document is amended to provide that:

“neither the franchisor, nor any person in Item 2 of the Disclosure Document, has within the last 10 years, been subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange or is subject to any currently effective order or ruling of the Federal Trade Commission or is subject to any currently effective order relating to business activity as a result of an action brought by any public agency or department.”

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **FOR THE STATE OF ILLINOIS**

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **FOR THE STATE OF INDIANA**

1. Item 8 of the Disclosure Document is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Items 6 and 9 of the Disclosure Document are amended to add the following:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 12 and Section 2 of the Franchise Agreement are subject to Indiana Code § 23-2-2.7-1(2) and § 23-2-2.7-2(4) which prohibit us from competing unfairly with you within a reasonable area.

4. Item 17 of the Disclosure Document is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Item 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.

Item 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

Item 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires you to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.
7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **FOR THE STATE OF MARYLAND**

1. Item 17 of the Disclosure Document is amended to add the following:

Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 *et seq.*, no general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.

Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Exhibit H to the Disclosure Document is amended as follows:

Any portion of the Statement of Prospective Franchisee which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any of these representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf

of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **SUPPLEMENTAL COVER PAGES FOR TRANSACTIONS REGULATED BY MICHIGAN**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a Franchisee to join an association of Franchisees.
- (b) A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise Agreement and to cure that failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure that failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the Franchisee by repurchase or other means for fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. The subsection applies only if: (i) the term of the franchise is less than five years and (ii) the Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the Franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards; (ii) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor; (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; or (iv) the failure of the Franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires the Franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of those assets if the Franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the Franchisee unless provision has been made for providing the required contractual services.

(j) No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

ANY QUESTIONS REGARDING THE NOTICE CONTAINED ON THE PRIOR PAGE OR THIS PAGE SHOULD BE DIRECTED TO THE DEPARTMENT OF ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 525 W. OTTAWA STREET, 670 G. MENNAN WILLIAMS BLDG., LANSING, MICHIGAN 48933 (517) 272-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN**

**FOR THE STATE OF MINNESOTA**

1. Item 6 of the Disclosure Document is amended as follows:

Pursuant to Minnesota Statutes, Section 604.113, the highest service charge on NSF checks allowed in Minnesota is thirty dollars (\$30).

2. Item 13 of the Disclosure Document is amended as follows:

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. As such, the Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

3. Item 17 of the Disclosure Document is amended as follows:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement.

Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief and a court will determine if a bond is required. See Minn. Rules 2860.4400J.

You may not bring any action under Chapter 80C of the Minnesota Statutes more than three years after the cause of action accrues.

Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 is amended by the addition of the following language:

### ITEM 3 LITIGATION:

Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations, pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the franchise system or its business operations.
- B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, anti-fraud or securities law, fraud; embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices; or comparable allegations.
- C. Is subject to a currently effective injunction or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 5 of the Disclosure Document is amended to add the following:

The Franchise Fee will be used to defray franchisor's costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the franchised center for business.

4. Items 6 and 11 of the Disclosure Document are amended to add the following:

The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

5. Item 17 of the Disclosure Document is amended to add the following:

No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under the New York General Business Law, Article 3, Sections 687.4 and 687.5.

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

Item 17(d) is amended to provide that the Franchisee may terminate the Agreement on any grounds available by law.

Item 17(w) is amended to state: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the state of New York.

6. Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.
7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **FOR THE STATE OF NORTH DAKOTA**

1. Item 5 of the Disclosure Document is amended by the addition of the following language to the original language:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6 of the Disclosure Document is amended to add the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17 of the Disclosure Document is amended to add the following:

In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.

The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.

Items 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

Item 17(u) is amended to state that the site of arbitration or mediation is to be agreeable to all parties and may not be remote from the Franchisee's place of business.

Item 17(v) is amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.

Item 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

4. North Dakota has determined that (i) requiring a franchisee to sign a general release upon renewal of the franchise agreement; (ii) requiring a franchisee to consent to a waiver of trial by jury; and (iii) requiring the franchisee to consent to a waiver of exemplary and punitive damages are unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, (i) all references to the Franchisee signing a general release upon renewal of the Franchise Agreement; (ii) all references to the Franchisee requiring waiver of a jury trial; and (iii) all references requiring the franchisee to consent to a waiver of exemplary and punitive damages are deleted.
5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **FOR THE STATE OF RHODE ISLAND**

Item 17 of the Disclosure Document is amended to add the following:

The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **FOR THE COMMONWEALTH OF VIRGINIA**

The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provisions of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **FOR THE STATE OF WASHINGTON**

Item 17 of the Disclosure Document is amended to add the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A general release or waiver of rights signed by you will not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable. The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

The Statement of Prospective Franchisee questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act including the right to a jury trial may not be enforceable.

Transfer fees are collectable if they reflect our reasonable estimated or actual costs in effecting a transfer.

**Use of Franchise Brokers.** The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Pursuant to Section RCW 49.62.020 of the Washington Franchise Investment Protection Act, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

Section RCW 49.62.060 of the Washington Franchise Investment Protection Act, prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

The Franchise Agreement requires any litigation to be conducted in a state other than Washington; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **FOR THE STATE OF WISCONSIN**

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## EXHIBIT B

### LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

#### List of State Administrators

<b>California</b> California Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> St., Suite 750 Los Angeles, CA 90013-2344 (213) 736-2741 Toll Free: 1-866-275-2677 <a href="http://www.dfp.ca.gov">www.dfp.ca.gov</a> Email: <a href="mailto:Ask.DFPI@dfpi.ca.gov">Ask.DFPI@dfpi.ca.gov</a>	<b>Michigan</b> Consumer Protection Division Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117	<b>South Dakota</b> Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501
<b>Connecticut</b> Department of Banking, Securities Investment Division 260 Constitution Plaza Hartford, CT 06103	<b>Minnesota</b> Minnesota Dept. of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-3165 (651) 539-1600	<b>Texas</b> Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887
<b>Florida</b> Florida Department of Agriculture And Consumer Services 407 S. Calhoun Street Tallahassee, FL 32399-6700	<b>New York</b> NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222	<b>Utah</b> Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704
<b>Hawaii</b> Business Registration Div. Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<b>Nebraska</b> Department of Banking and Finance 1230 "O" Street Suite 400 PD. Box 95006 Lincoln, NE 68509-5009	<b>Virginia</b> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051
<b>Illinois</b> Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465	<b>North Dakota</b> North Dakota Securities Department 600 East Boulevard Avenue 5 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	<b>Washington</b> Department of Financial Institutions Securities Division PO BOX 41200 Olympia, WA 98504-1200 (360) 753-6928
<b>Indiana</b> Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E-111 Indianapolis, IN 46204 (317) 232-6681	<b>Oregon</b> Department of Insurance & Finance Corporate Securities and Franchise Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	<b>Wisconsin</b> Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559
<b>Maryland</b> Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, MD 21202-2020 (410) 576-6360	<b>Rhode Island</b> Chief Securities Examiner Department of Business Regulation Securities Division Franchise Section 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048	

## List of Agents for Service of Process

<b>CALIFORNIA</b> California Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 <a href="http://www.dfp.ca.gov">www.dfp.ca.gov</a> Email: <a href="mailto:Ask.DFPI@dfpi.ca.gov">Ask.DFPI@dfpi.ca.gov</a>	<b>MARYLAND</b> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	<b>RHODE ISLAND</b> Director of Depart. of Business Regulation Suite 232 233 Richmond Street Providence, Rhode Island 02903-4232 (401) 277-3048
<b>CONNECTICUT</b> Connecticut Department of Banking, Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103	<b>MICHIGAN</b> Dept. of Commerce, Corp'ns & Securities Bur. 6546 Mercantile Way P.O. Box 30222 Lansing, Michigan 48910 (517) 373-7117	<b>SOUTH DAKOTA</b> Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501
<b>HAWAII</b> Comm'r Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<b>MINNESOTA</b> Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (612) 539-1600	<b>VIRGINIA</b> Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733
<b>ILLINOIS</b> Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<b>NEW YORK</b> Secretary of State 99 Washington Avenue Albany, New York 12231	<b>WASHINGTON</b> Director of Depart. of Financial Institutions 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760
<b>INDIANA</b> Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6681	<b>NORTH DAKOTA</b> North Dakota Securities Commissioner 600 Boulevard Avenue, State Capital Fifth Floor Bismarck, ND 58505-0510 (701)328-4712	<b>WISCONSIN</b> Commissioner of Securities 345 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555

**EXHIBIT C**

**FRANCHISE AGREEMENT**

# WOODLAND CAPITAL FRANCHISING, INC.

D/B/A



## FRANCHISE AGREEMENT

**NAME:** \_\_\_\_\_

**TERRITORY:** \_\_\_\_\_

**FRANCHISE AGREEMENT**  
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Exhibit B -	Financing Addendum
Exhibit C -	State Law Addendum
Exhibit D -	Authorization for Electronic Funds Transfer
Exhibit E -	Personal Guaranty of Franchisee's Principal Owners and Spouses
Exhibit F -	Non-Compete, Confidentiality and Non-Solicitation Agreement
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Exhibit I -	Secured Promissory Note

## **FRANCHISE AGREEMENT DOAN**

THIS FRANCHISE AGREEMENT (together with all schedules, addenda, amendments and exhibits signed in connection with the grant of the Franchise defined below and described herein, collectively referred to herein as the “Agreement”) is made and entered into as of the date set forth on Exhibit A by and between Woodland Capital Franchising, Inc. d/b/a The Doan Group, a Georgia corporation having its principal place of business at 5090 Highway 212, Covington, Georgia 30016 (“Franchisor”, “we” or “our”), and the business entity and Owners (as defined in Section 2) set forth on Exhibit A (“Franchisee” “you” or “your”). Collectively, Franchisor and Franchisee are referred to as the “parties” and individually sometimes referred to as a “party”.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

### **1. THE DOAN GROUP FRANCHISE SYSTEM**

#### **(a) Preamble and Statements of Underlying Facts.**

(i) Franchisor, as a result of the expenditure of significant time, effort, skill and money, has created and developed a unique and distinctive system licensing to franchisees a business model for establishing and operating an appraisal businesses under the name “The Doan Group” (the “Franchise” or “Franchised Business”) which specializes in providing casualty damage appraisal and related services, including, without limitation, damage appraisal of personal and commercial automobiles and light trucks, motorcycles, heavy equipment, off-road equipment, boats, recreational vehicles, mobile homes, property damage appraisals of commercial and residential buildings; as well as expert testimony on behalf of insurance companies, insurance agents, leasing companies, exotic car owners, independent adjusting companies, mechanical warranty companies and others (collectively, the “Services”). For purposes of this Agreement, the term “Franchise” or “Franchised Business” shall mean the license granted to Franchisee by Franchisor to operate a The Doan Group damage appraisal business operated pursuant to the license, the assets owned and/or used by Franchisee in the operation of the Franchised Business, and any and all rights granted to Franchisee by Franchisor under this Agreement.

(ii) Doan Group franchisees provide the Services using our distinctive formats, methods, policies, procedures, standards, specifications, information, training and business relationships, all of which we, in our sole judgment, may change, alter, amend, further improve, discontinue, develop or otherwise modify from time to time (collectively, the “System”).

(iii) The distinguishing characteristics of the System include, but are not limited to, the name “The Doan Group” together with such other trade names, service marks, and trademarks (collectively, the “Marks”) and all other intellectual property, including, without limitation, all inventions, patents, patent applications, software, methods and procedures, standard-operating-procedures, best-known methods, copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, know-how, methods, specifications, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, course materials, advertising and promotional materials, and other audio, video and written materials developed and designated

for use in connection with the System, including the URL websites [www.doan.com](http://www.doan.com) or as we may hereafter acquire, develop or designate for use in connection with the System (together with the Marks, the "Intellectual Property").

(iv) Franchisee appreciates and acknowledges the importance of Franchisor's standards of quality, appearance and service as a necessity of owning and operating a Franchise in conformity with Franchisor's standards and specifications.

(v) Franchisee represents and warrants that Franchisee is not a party to or subject to any order, judgment or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement.

(vi) Franchisee represents and warrants that neither Franchisee nor any person or firm cooperating, assisting or acting with Franchisee in connection with the opening of this Franchise, or upon whom or which he may be relying for any assistance in this matter, direct or indirect, financial or otherwise, is a party to any contract, agreement or arrangement (including but not limited to, employment agreement, non-compete agreement, non-solicit agreement or confidentiality agreement with any other person or entity) which limits, prohibits or purports to limit or prohibit Franchisee's entering into this Agreement or performing Franchisee's obligations hereunder.

(vii) Franchisee represents and warrants that the execution, delivery and performance of this Agreement does not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Franchisee is a party or by which Franchisee is bound and upon the execution and delivery of this Agreement, this Agreement shall be a valid and binding obligation of Franchisee, enforceable in accordance with its terms.

(viii) Franchisee further warrants that it has not and will not at any time after entering into this Agreement disclose any confidential proprietary information or trade secret information of any former employer, franchisor, licensor or business partner. Franchisee represents that it has not taken any action(s) to date that would have constituted a violation of this Agreement had the Agreement been in place at the time of such action(s).

(b) **The Doan Group System Standards.** The System is a comprehensive system for the operation of a vehicle and property damage appraisal business operating under the "Doan Group". The foundation of the System and the essence of this Franchise is the adherence by Franchisee to all of the standards and policies of Franchisor, including those providing for the uniform operation of all The Doan Group businesses; strict adherence to Franchisor's prescribed standards of quality, service and care in Franchisee's operation as they exist now and as they may from time to time be modified, amended or expanded ("System Standards"). Franchisee's compliance with the Doan Group standards and policies in conjunction with the use of the System provide the basis for the valuable goodwill and wide acceptance of the System. Franchisee's accountability for performance of the obligations contained in the Agreement and its adherence to the tenants of the System constitute the essence of this Agreement.

(c) **Acknowledgements.** Franchisee understands and acknowledges that every detail of the System is important to Franchisee, to Franchisor, and to other franchisees, in order to develop and maintain high and uniform operating standards. Therefore:

(i) The Franchise granted herein shall be operated in conformity with, and through strict adherence to, System Standards.

(ii) Franchisee represents, warrants, and agrees that it owns the entirety of the equity interest in this Franchise and the profits from the operations of a The Doan Group Franchised Business, and that it shall maintain such interest during the term of this Franchise, except only as otherwise permitted pursuant to the terms and conditions of this Agreement. Franchisee agrees to furnish Franchisor with such evidence as Franchisor may request, from time to time, for the purpose of assuring Franchisor that Franchisee's interest remains as represented herein.

(iii) Franchise submitted an application to us representing and warranting that all information, including financial information, provided to us is true, complete, correct and not misleading in any material respects ("Franchise Application"). We approved the Franchise Application in reliance upon your representations and warranties set forth therein.

(iv) Franchisee represents that the name it provided to Franchisor on its Franchise Application and that the name Franchisee signs on this Agreement is Franchisee's true, correct and legal name and that Franchisee has disclosed to Franchisor any other name(s) of Franchisee, whether the variance is due to spelling differences, language differences, aliases, or otherwise, by Exhibits attached hereto and hereby incorporated by reference.

## 2. GRANT OF LICENSE AND FRANCHISE

(a) **Grant of License.** Subject to all of the terms and conditions of this Agreement and the continuing good faith performance thereof, Franchisor grants to Franchisee and Franchisee hereby undertakes and accepts the non-exclusive right and license to operate a The Doan Group damage appraisal Franchised Business and to use, solely in connection therewith, the Marks, Intellectual Property and the System, as such may be changed, improved and further developed by Franchisor, from time to time. The only Marks that Franchisee is entitled to use pursuant to this Agreement, are solely those Marks authorized by Franchisor, which Franchisor may modify, from time to time. The license herein granted is for the operation of the one (1) The Doan Group Franchised Business, at a location designated in Exhibit A to this Agreement, attached hereto and hereby incorporated by reference, and nothing herein contained shall be deemed to grant to Franchisee the right to purchase, own or operate additional or multiple The Doan Group Franchised Businesses.

(b) **Use of Marks.** Franchisor, as owner of the Marks, retains the sole and exclusive right and authority to control the nature and quality of each and every use of the Marks by Franchisee, and Franchisee shall comply with and abide by any and all such requirements or restrictions. The Marks shall be used solely in connection with the Services provided at or by the Franchised Business and only to identify products and Services designated by Franchisor. In the event it becomes advisable at any time, in Franchisor's sole discretion, to modify or discontinue

the use of any one or more of the Marks or to use one or more additional or substitute marks, Franchisee agrees at its sole expense to immediately comply with the instructions of Franchisor in that regard, including, without limitation, replacing sign faces and otherwise complying with this obligation.

(c) **Approved Location.** Franchisee assumes all cost, liability, expense and responsibility for locating and obtaining a site for the Franchised Business within the Designated Territory (as defined below). Franchisor must approve Franchisee's site and Franchisee shall only operate its The Doan Group Franchise from the location approved by Franchisor (the "Approved Location"), which shall be set forth in Exhibit A. Franchisee's Approved Location may be the Operating Principal's (as defined in Section 2(g)) home residence, provided his or her home residence can accommodate an office space. Franchisee shall not relocate the Approved Location without Franchisor's express, prior, written consent. This Agreement does not grant to Franchisee the right or franchise to operate the Franchise or to offer or sell any products or services described hereunder at or from any other location.

(d) **Designated Territory.** Franchisor grants to Franchisee the right to operate Franchisee's Franchised Business in the area set forth in Exhibit A (the "Designated Territory"). During the term of this Agreement, as long as Franchisee is in full compliance with this Agreement, and subject to the terms of this Agreement, Franchisor shall not own, operate, sell or issue a license or grant a franchise for any other Doan Group office to be located within the Designated Territory. In the event of renewal or transfer of this Agreement, Franchisor may redefine the Designated Territory based on the factors then used by Franchisor in determining such areas for its Doan Group Franchises. Franchisee shall devote its full time and use its best efforts to solicit and provide services described herein. Franchisee acknowledges, understands and agrees that Franchisor may solicit and service clients within the Designated Territory, and that Franchisor, may, at any time and from time to time, solicit clients and advertise and promote the System within Franchisee's Designated Territory. Franchisee may solicit and service clients outside of its Designated Territory only with Franchisor's prior written approval and if approved, in accordance with Franchisor's standards and specifications. Further, Franchisor may, among other things, on any terms and conditions it deems advisable, without compensation to any franchisee, and without granting franchisee any other rights:

(i) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, outside your Designated Territory under the Marks and on any terms and conditions we deem appropriate;

(ii) the right to operate, and to grant others the right to operate Doan Group businesses located anywhere outside your Designated Territory under any terms and conditions we deem appropriate and regardless of proximity to your business location;

(iii) the right to use alternate channels of distribution such as direct mail, catalogue sales, telemarketing, and the internet both within and outside of your Designated Territory to offer appraisal or other services under trademarks that are the same or different than the Marks;

(iv) the right to acquire the assets or ownership interests of one or more businesses providing services similar to those provided by The Doan Group businesses, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Designated Territory);

(v) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing services similar to those provided by The Doan Group businesses, even if such business operates, franchises and/or licenses competitive businesses in your Designated Territory;

(vi) the exclusive right to handle estimate review, diminished value reports and subrogation matters within your Designated Territory; and

(vii) the exclusive right to perform inspections and appraisals of vehicles and equipment on behalf of financial institutions and auction businesses within your Designated Territory.

(e) **National Accounts.**

(i) Franchisor will have the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, Franchisee, and/or other franchisees utilizing the Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to “National Account” customers.

(ii) The term “National Account” means any (i) customer that has offices, policy holders or provides services to any of the foregoing in more than one (1) location in more than one (1) state that require services which Franchisee has been authorized to provide pursuant to the terms of this Agreement that is within Franchisee’s Designated Territory and (ii) customer originating from a referral source, insurance carrier, business partner or relationship of Franchisor. Any dispute as to whether a particular customer is a National Account will be determined by Franchisor and Franchisor’s determination will be final and binding.

(iii) Following the execution of a contract with or the acceptance of a bid by a National Account customer which contemplates the provision of services to one or more National Account customer locations within or outside of the Designated Territory, Franchisor will, if Franchisee is qualified to perform the services and conditioned upon Franchisee’s substantial compliance with the terms of this Agreement and any addendum, provide Franchisee the option to perform such services pursuant to the terms and conditions of the National Account contract or on such terms and conditions as Franchisor determines appropriate.

(iv) If Franchisee; (i) elects not to provide services to a National Account customer in conformity with the terms and conditions of the National Account bid or contract; (ii) fails to make an election within the time specified by Franchisor, after being offered the opportunity by Franchisor; (iii) fails to satisfactorily perform its obligations to the National Account, Franchisor will have the right to:

(1) Provide, directly or through any other licensee or franchisee utilizing the Marks, services to the National Account customer location(s) within the Designated Territory on the terms and conditions contained in the National Account bid or contract; and/or

(2) Contract with another party to provide such services to the National Account customer location(s) within the Designated Territory on the terms and conditions contained in the National Account bid.

(3) Neither the direct provision by Franchisor (or a franchisee, licensee, or agent of Franchisor) of services to National Account customers as authorized in (a) above, nor Franchisor's contracting with another party to provide such services as authorized in (b) above, will constitute a violation of Section 2(g) relating to territorial protection, even if such services are delivered from a location within the Designated Territory. Franchisee disclaims any compensation or consideration for work performed by others in Franchisee's Designated Territory pursuant to this Section 2(d).

(f) **Reasonable Business Judgment.** Franchisor will use its reasonable business judgment in the exercise of its rights, obligations, and discretion, except where otherwise indicated. Franchisor's determination on a given matter will prevail even in cases where other alternatives are also reasonable so long as Franchisor is intending to benefit any component of the System and/or the Marks, any one or more franchisees, or any other aspect of the franchise system. In order to timely respond to market conditions and the needs and wishes of customers of the Franchised Business, Franchisor reserves the right, in its sole and exclusive determination, to vary any standard of the System, the Marks or the Operations Manual (as defined herein).

(g) **Operating Principal.** Franchisee agrees to appoint an individual that owns at least twenty-five percent (25%) of the voting and equity interests of the legal entity which holds the Franchised Business and at least a twenty-five percent (25%) right to the Franchised Business profits as Franchisee's operating principal, who shall (i) be responsible for the Franchised Business and all decisions; (ii) be granted the authority by the Franchise to bind it in any dealings with Franchisor and its affiliates; and (iii) direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Business (the "Operating Principal"). The name and address of the initial Operating Principal is set forth on Exhibit A. Franchisee must obtain Franchisor's approval of its original and any replacement or subsequent Operating Principals in writing.

(h) **Designated Appraiser.** The Franchised Business must have at least one (1) full-time qualified appraiser overseeing and operating the Franchised Business and to run the day-to-day operations of the Franchised Business and to oversee and conduct all Services (the "Designated Appraiser"). If required by the law where your Designated Territory is located, your Designated Appraiser must obtain required licensing to provide the Services and remain in good standing at all times. Your Operating Principal may act as the Designated Appraiser, or you may designate a Designated Appraiser. The Operating Principal must act as the Designated Appraiser unless Franchisee designate an employee as the Designated Appraiser that (i) satisfies our educational and business experience criteria as set forth in the Operations Manual; (ii) is approved by us in writing; (iii) completes the required training program to our sole satisfaction; and (iv) where allowed by law, signs a Restrictive Covenant Agreement as defined and described in Section

14(g) hereof or if not permitted by law, a NDA. All Designated Appraisers and Operating Principals must complete the required training program to our sole satisfaction. We must approve in writing any replacement, additional or subsequent Designated Appraisers.

(i) **Best Efforts.** The Designated Appraiser shall diligently and fully exploit the rights granted in this Agreement by personally devoting full time and best efforts to the operation of the Franchised Business and the Operating Principal shall perform his or her obligations under this Agreement faithfully and honestly and continue to exert best efforts to promote and enhance the Franchised Business and the System for the full Term of this Agreement. Each of you and your Owners, including your Operating Principal covenants and agrees that they shall make all commercially reasonable efforts to operate the Franchise to achieve optimal sales.

(j) **Owner Acknowledgement.** You, including each of your Owners have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to operate a Doan Franchise hereunder and not for the purpose of reselling the rights to develop the Franchise hereunder. You and your Owners understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you (including your Owners) and that this Agreement and the rights and obligations hereunder may not be transferred until after the Franchise commences operations to the public and then only in accordance with the terms of this Agreement.

(k) **Alternative Services.** You acknowledge and understand that we or our affiliates may develop, create, offer or launch new products, services, or service lines, directly or indirectly through distribution, licensing, franchising or other business models, which may be competitive or complementary to the Products and Services offered by your Franchised Business. You understand this Agreement does not grant you any rights to offer the new products, services, or service lines described in this Section 2 or share in any of the revenue or proceeds generated from such sales.

(l) **Service Certification Program and Qualification Requirements.** We or our affiliates, reserve the right to establish or launch one or more service certification or qualification requirements through which our franchisees may be authorized to provide additional services or products which we may designate in connection with the System, such as the offering of adjuster services or appraisal services for non-vehicle property (“Certification Program(s)”). We may condition a franchisee's participation in any Certification Program on meeting certain standards, terms and requirements. Participation in a Certification Program may require (1) additional purchase of equipment, inventory or supplies; (2) training for your Designated Appraiser, Designated Appraiser and Operating Principal; (3) additional marketing requirements; (4) you and your personnel obtaining additional professional or industry licenses, permits, approvals, certifications, and authorizations; and (5) other conditions, all of which you must meet at your own expense. In the event you are unable or unwilling to participate in a Certification Program or do not meet the requirements of participation, then you understand and agree that we and our affiliates have the right to perform Certification Program services in your Designated Territory or we may grant other franchisees or third parties the right to perform Certification Program services in your Designated Territory. Franchisee disclaims any compensation or consideration for work performed by others in the Designated Territory pursuant to this Section.

This Section 2(k) does not constitute a right of first refusal for any additional franchise programs which we may now or in the future create.

### 3. INITIAL FRANCHISE FEE

(a) **Initial Franchise Fee.** In consideration of the issuance of this Franchise and concurrently with the execution of this Agreement, Franchisee shall pay Franchisor at its principal offices, or at such other place as Franchisor may designate, in cash, by cashier's check, by certified check or wire transfer, unless otherwise permitted in writing by Franchisor, an initial franchise fee as set forth on Exhibit A (the "Initial Franchise Fee") for each and every Franchise purchased from Franchisor.

(b) **Consideration Earned.** Franchisee hereby acknowledges and understands that the Initial Franchise Fee shall be deemed fully earned by Franchisor as hereinafter specified, and that no portion of the Initial Franchise Fee is refundable for any reason. Franchisee also acknowledges and agrees that the grant of the license to operate the Franchised Business and the undertakings and agreements of Franchisor contained in this Agreement constitute the sole and exclusive consideration for Franchisee's payment of the Initial Franchise Fee.

### 4. TERM AND RENEWAL

(a) **Term of Franchise.** Except as otherwise set forth herein, the initial term of this Agreement shall be for a period of five (5) years (the "Initial Term"), commencing on the "Effective Date" of this Agreement. The date this Agreement is executed by Franchisor is the Effective Date of this Agreement. This Agreement shall not be valid or effective until a duly authorized representative of Franchisor executes this Agreement. The "Expiration Date" of this Agreement shall be the date five (5) years immediately following the Effective Date, unless terminated at an earlier date as otherwise provided herein. Upon renewal of this Agreement, the Expiration Date shall be the date outlined in said renewal franchise agreement (as applicable). Within ninety (90) days after the Effective Date, Franchisee shall commence operations of the Franchised Business. Franchisee's failure to commence operation of the Franchise by the end of such time period shall be grounds for Franchisor's termination of this Agreement.

(b) **Renewal of Franchise.** If Franchisor is still offering and selling Franchised Business at the expiration of the Initial Term in the state in which you are operating your Franchised Business, Franchisor will grant to Franchisee the right to renew the franchise granted under this Agreement for additional consecutive five (5) year terms (each a "Renewal Term"), subject to the following conditions, any or all of which Franchisee must meet at the time of each Renewal Term, subject to Franchisor's sole and absolute discretion:

(i) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than three (3) months nor more than nine (9) months prior to the expiration of the Initial Term or any Renewal Term then in effect;

(ii) Neither Franchisee nor any affiliate of Franchisee shall be in default under any provision of this Agreement, any amendments hereto nor any other agreement between Franchisee or its affiliates on the one hand and Franchisor or any of its subsidiaries, affiliates or

approved suppliers on the other hand; and Franchisee and its affiliate shall have substantially and timely complied with all terms and conditions of such agreements during any term hereof;

(iii) Franchisee and its affiliates shall have satisfied all monetary obligations owed to Franchisor and its subsidiaries, affiliates and its approved suppliers, and shall have timely met those obligations throughout the Initial Term and any Renewal Term of this Agreement;

(iv) Franchisee shall execute Franchisor's then-current form of franchise agreement for any Renewal Term prescribed herein, which agreement shall supersede this Agreement in all respects and the terms of which may differ from the terms of this Agreement including, without limitation, higher royalty fees, modification to the Designated Territory, and other material terms and conditions. Franchisee shall execute the then-current form of franchise agreement not less than thirty (30) days prior to the Expiration Date;

(v) Franchisee, its Owners, Operating Principals and their respective spouses shall execute a general release, in the form set for as Exhibit H (or any other form required and satisfactory to Franchisor), in favor of Franchisor and its affiliates and their respective members, officers, directors, employees, agents, successors and assigns, for all claims arising out of or related to this Agreement or any related agreements with Franchisor or its affiliates;

(vi) Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees at Franchisee's sole expense, if any;

(vii) Franchisee's Designated Appraiser obtains any additional certifications, licensing or authorizations required to provide any services or products offered by new franchisees at the time of renewal;

(viii) Franchisee shall make such improvements as may be required to modernize, renovate or update the Franchised Business so as to reflect the then-current standards of Franchisor which may include upgrades to software, equipment, uniforms, vehicles, computer systems, signage and advertising or promotional materials;

(ix) If applicable, Franchisee shall obtain an extension or renewal of its lease for the entire Renewal Term and demonstrate such to Franchisor's satisfaction;

(x) Franchisee reimburses us for any costs or expenses related to evaluating or effectuating the renewal of this Agreement, including but not limited to, any legal fees or credit or background checks.

Upon your notice to us that you desire to renew your Franchise within the time period prescribed in subsection (b) above, we, in turn, shall provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used in granting new Doan franchises. You must execute and return to us, no later than the expiration date of the Initial Term. If we do not receive the executed documents by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement. Further, if you fail or refuse to make the required modifications or

undergo any refresher training or otherwise meet any conditions set forth above, then we shall have the right to terminate any renewal agreement.

(c) **Non-renewal of Franchise.** Notwithstanding the provisions of Section 4(b) hereinabove, Franchisee shall have no right to renew this Agreement in the event that Franchisor, at such time or prior to the expiration of Franchisee's then-current term, elects to cease offering new or additional The Doan Group Franchises in an area in which the Approved Location is located or the region or in any other geographic area reasonably adjacent thereto and without regard to whether Franchisor has permitted any other franchisee to renew its Franchise. In such event, Franchisor shall give Franchisee written notice of such determination upon receipt of Franchisee's election to renew.

(d) **Extension of Term.** If Franchisee does not renew pursuant to the terms of Section 4(b) upon the expiration of the Initial Term or any Renewal Term and continues to accept the benefits of this Agreement, then, at Franchisor's option, this Agreement may be treated as: (i) expired as of the date of the Initial Term's or Renewal Term's, as applicable, Expiration Date, which will result in your operating the Franchise without a license in violation of our rights; or (ii) continued on a month-to-month basis until we provide Franchisee with notice of Franchisor's intent to terminate the month-to-month term. In the latter case, all of Franchisee's obligations shall remain in full force and effect as if this Agreement had not expired, and all obligations and restrictions imposed upon Franchisee upon the Expiration Date shall be deemed to take effect upon the termination of the month-to-month term.

(e) **Renewal Under Law.** Even though Franchisor declines the renewal of the Franchised Business, it is possible that Franchisor can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent Franchisor is allowed by the applicable law, rule, regulation, statute, ordinance or order, Franchisee's Renewal Term will be subject to the conditions of the then-current franchise agreement Franchisor is using for new franchisees at the time the Renewal Term begins. If Franchisor is not then offering new Franchises, the Renewal Term will be subject to the terms in the then-current franchise agreement that Franchisor indicates. If for any reason that is not allowed, the Renewal Term will be governed by the terms of this Agreement.

(f) **Franchisee's Election Not to Renew.** For the purposes hereof, Franchisee shall be deemed to have irrevocably elected not to renew the Franchise hereunder (and the option to do so shall thereupon terminate) if Franchisee fails to execute and return to Franchisor any of the renewal franchise documents required by Franchisor, together with reimbursement of our costs outlined above, or if Franchisee provides written notice to Franchisor within the final sixty (60) days of the Initial Term or then-current Renewal Term, as the case may be, indicating that Franchisee does not wish to renew this Agreement or any renewal franchise agreement.

## 5. FRANCHISOR'S OBLIGATIONS

As long as Franchisee fully complies with the terms and conditions of this Agreement and all other agreements between Franchisee and Franchisor or any affiliate or subsidiary of Franchisor, Franchisor agrees during the term of this Agreement to provide the following services:

(a) **Training.**

(i) **Initial Training Program.** Prior to opening of Franchisee's Business, Franchisor shall provide Franchisee's Operating Principal and one (1) additional person, who has been designated by Franchisee to be the Designated Appraiser responsible for the day-to-day operation of the Office and accepted in advance in writing by Franchisor, with training in the operation of a The Doan Group Franchise (the "Initial Training"). Training will take place in person at Franchisor's designated training facility or Franchisor's headquarters or other designated location, via Skype, remote login to Franchisee's, Operating Principal's and Designated Appraiser's computer, and telephone conferencing. Franchisee must pay all expenses incurred in connection with such Initial Training, including, without limitation, travel, lodging, meals, local transportation expenses and wages for its attendees. Actual dates of Initial Training are subject to change at any time, and Franchisor assumes no responsibility for any costs incurred by Franchisee or its attendees as a result of such changes. If the Operating Principal and Designated Appraiser fail to complete the Initial Training to Franchisor's satisfaction, then Franchisor may, in its sole discretion, (i) terminate this Agreement; or (ii) require such trainee repeat training at Franchisee's cost until Franchisor determines that the Initial Training has been successfully completed.

(ii) **Office Opening Assistance.** Franchisor does not provide any in-person assistance in the opening of Franchisee's Office; however, Franchisor shall provide Franchisee with any reasonable opening assistance via telephone or video conferencing.

(iii) **Continuing, Additional or On-Site Training.**

(1) Franchisor may require Franchisee's Operating Principal, Designated Appraiser, or any Owner or employee to attend mandatory additional, periodic or refresher training courses on site, at locations Franchisor designates from time to time or by webinar or videoconference ("Continuing Training"). If Franchisor requires Continuing Training, then Franchisor will not charge Franchisee a fee that exceeds the cost of Franchisor conducting such Continuing Training, plus Franchisee is responsible for all attendees' wages, travel, living and miscellaneous expenses incurred in connection with such Continuing Training and Franchisor reserve the right to impose reasonable charges for training materials. Franchisor will notify Franchisee of the applicable charges before Franchisee's attendees enroll in a course. Franchisee may request that additional personnel attend Continuing Training (in addition to those individuals that Franchisor requires) and Franchisor will provide such Continuing Training at no charge.

(iv) Franchisor may request additional training, which it may agree to provide in its sole discretion ("Additional Training"). If Franchisor provides Additional Training, Franchisee will pay Franchisor its then-current fee, which will not exceed one thousand dollars (\$1,000) per week, per attendee (if at our location) or trainer (if at your location), plus Franchisee is responsible for all of Franchisee's attendees' wages, or our trainer's (as applicable), travel, living and miscellaneous expenses incurred in connection with such Additional Training.

(v) If Franchisor requires any additional training ("Mandatory Additional Training") (i) that Franchisor determines is necessary or appropriate, in its sole discretion, to protect the quality, integrity and/or reputation of the System, Marks and/or Intellectual Property, including, without limitation, because Franchisee is in default or breach

under this Agreement or otherwise in violation of our System Standards; (ii) upon renewal of this Agreement; or (iii) upon a change in your Operating Principal or Designated Appraiser, then we will charge Franchisee our then-current fee, which will not exceed One Thousand Dollars (\$1,000) per week, per attendee (if at our location) or trainer (if at your location), plus Franchisee is responsible for all of Franchisee's attendees' wages, or our trainer's (as applicable), travel, living and miscellaneous expenses incurred in connection with such Mandatory Additional Training.

(vi) **Continuing Training, Additional Training, and Mandatory Additional Training** fees are fully earned and non-refundable when paid.

(b) **Operating Assistance.** Franchisor shall furnish to Franchisee such reasonable operating assistance in connection with the operation of the Franchise as Franchisor determines from time to time to be necessary in its sole discretion. Operating assistance may include advice and guidance with respect to: (a) formulating and implementing advertising and promotional programs; and (c) the establishment and maintenance of administrative, bookkeeping, accounting, and general operating procedures. Franchisor may advise Franchisee from time to time of operating problems of the Franchise disclosed by reports submitted to or inspections made by Franchisor.

(c) **Inspections.** Franchisor may, but shall not be obligated to, inspect the Franchised Business and interview Franchisee's employees at any reasonable time and without prior notice to determine whether the Franchise is being operated in accordance with the terms of this Agreement, the Operations Manual, policies, directives, System Standards and other applicable rules of Franchisor, as well as applicable federal state and local laws, regulations, rules and ordinances. Franchisor shall notify Franchisee in writing of any unsatisfactory conditions discovered, and Franchisee agrees to correct or repair any such conditions immediately upon being advised of the same.

(d) **Products, Supplies and Materials.** Franchisor shall use reasonable efforts to make available for purchase from Franchisor's designated manufacturers or suppliers the approved equipment and all other products required or approved by Franchisor for use in connection with the Franchised Business, all to the extent Franchisor's suppliers are able to supply the same. Franchisee shall purchase the approved equipment and all other products required from a supplier who complies with Franchisor's supplier acceptance guidelines as described herein.

(e) **Internet Web and Electronic Mail Site.** During the term of this Agreement, Franchisor shall maintain the Doan Group Internet Web Site and an electronic mail site for Franchisee.

## 6. MODIFICATIONS

Franchisor reserves the right to modify the System, System Standards and the Operations Manual at any time, and from time to time by the addition, deletion or other modification to the provisions thereof, provided that such modification shall be made only to the extent necessary or desirable and in the sole judgment of Franchisor to protect Franchisor's Marks and goodwill, to comply with any applicable law, statute, judicial or administrative decision, or to improve the

quality of products and services offered to the public. Franchisor shall provide Franchisee with written notification of any and all changes to the System and policies.

## 7. CONTINUING FEES

(a) **Gross Revenue.** For purposes of this Agreement, the term "Gross Revenue" shall mean, but shall not be solely limited to, those total revenues derived by Franchisee for all goods sold and any services provided by Franchisee, as part of the ongoing operations of its Franchise; and includes any sales made for cash, check, credit or otherwise, including any sales made or services provided in connection with barter or counter trade, if any, without reserve, offset or deduction for inability or failure to collect the same, whether or not such they were conducted in compliance with or in violation of this Agreement. Gross Revenue also includes insurance proceeds you receive for loss of profit or business or for damage to goods or merchandise. Gross Revenue shall not include rebates approved by Franchisor, refunds to customers, or the amount of any taxes which Franchisee may be required or shall be required in the future to collect from customers to be paid to any federal, state or local taxing authority. Such tax, however, shall not include any property or franchise tax, but shall only include those taxes, if any, to be collected from the customers of Franchisee.

(b) **Royalty Fee.** In addition to the Initial Franchise Fee, Franchisee will, for the entire Initial Term of this Agreement, and any Renewal Term (at the rate outlined in the applicable franchise agreement) remit to Franchisor (or authorize Franchisor to deduct from amounts collected from National Accounts, at our discretion) a weekly fee equal to twenty-two percent (22%) of the Franchise's total weekly Gross Revenue in consideration for use of the Marks, Intellectual Property and System (the "Royalty Fee") on or before Friday of each week based upon Gross Revenue for the immediately preceding week running Saturday through Friday midnight (12:00 am). Franchisor reserves the right to change the frequency with which Franchisee pays Royalty Fees, in its sole discretion, upon written notice. Royalty Fees will not be refundable under any circumstances. This fee is not uniform in all cases. Such Royalty Fee is not subject to set-off.

(c) **Brand Fund Fee.** At this time Franchisee is not required to contribute any percentage of Franchisee's Gross Revenue to the Doan Group Brand Fund ("Brand Fund"), however, Franchisor reserves the right to impose a fee of up to two percent (2%) of the Franchise's total weekly Gross Revenue (the "Brand Fund Fee"). In the future, if we implement the payment of the Brand Fund Fee to the Brand Fund, then we would require the Brand Fund Fee to be paid in the same manner and frequency as the Royalty Fee is paid, provided, that we may require you to pay the Brand Fund Fee directly to the Brand Fund. The Brand Fund Fee is in addition to the Royalty Fee. We reserve the right to change the frequency with which you pay the Brand Fund Fee, in our sole discretion, upon written notice. You must pay the Brand Fund Fee directly to the Brand Fund. Brand Fund Fees remitted to us will not be refundable under any circumstances.

(d) **Administrative Fees.** It is Franchisee's responsibility to complete all Services for its customers, including all National Accounts in accordance with System Standards. If Franchisee is unable to complete one or more stages of a claims file due to reasonable circumstances beyond the control of Franchisor (for example, personnel issues), then Franchisor may, in its sole discretion and subject to personnel availability, agree to complete such Service or Services (or any other service) on a single occurrence or temporary basis, not to exceed thirty (30)

days or thirty individual file occurrences, whichever is less. The current fees for such services are set forth on Exhibit A.

(e) **Software Licensing Fee.** Franchisee shall install estimating software on its computer system as Franchisor shall require. In the event that Franchisor has a master license, Franchisor shall charge a software license fee starting at \$189 up to \$5000 per user (“Software Fee”). The Software Fee will include a cost to sub-license the software from the licensor plus an administrative fee. Franchisee is required to install and use any upgrades to the software on no less than an annual basis and pay any cost therefore. Franchisee must comply with any and all licensing requirements of any estimating software program used by Franchisee. The Software Fee is subject to change at any time if Franchisor’s costs in administering the program increases, if the costs charged by the licensor increases, or if Franchisor develops its own software or changes licensors or products, in its sole discretion. We also reserve the right to charge a “CCC Workflow” fee or similar fee of \$1.00 to \$4.00 per claim file if the software licensor no longer bundles this service as part of the overall Software Fee.

(f) **Technology Support Fee.** If you request, and we agree in our sole discretion to, provide any support related to the use of your computer hardware, software or other technology, then we may charge you a fee, not to exceed One Hundred Dollars (\$100) per hour.

(g) **Non-Compliance Fee.** We may charge you a One Hundred and Fifty Dollars (\$150) fee for any instance where you fail to submit any required report or information due to us under this Agreement or pursuant to the Operations Manual (including but not limited to, any Gross Revenue Report, financial statements or evidence of amounts spent to satisfy any Local Advertising Requirement). If such non-compliance is ongoing, we may charge you One Hundred and Fifty Dollars (\$150) per week until such report is submitted and the non-compliance is cured. This fee is a reasonable estimate of our internal cost of personnel time and other costs and expenses attributable to addressing the reporting non-compliance, and is not a penalty or estimate of all damages arising from your breach. The non-compliance fee is in addition to all of our other rights and remedies. If you fail to comply with any operational and System Standards, then we may charge you a non-compliance fee equal to our reasonable estimate of our internal cost of personnel time and other costs and expenses attributable to addressing the non-compliance starting at \$450 up to \$1,000 per occurrence. This fee is a reasonable estimate of our internal cost of personnel time attributable to addressing the non-compliance, and is not a penalty or estimate of all damages arising from your breach. The non-compliance fee is in addition to all of our other rights and remedies.

(h) **Reimbursement.** To protect the reputation and goodwill of the brand, we may (but are never obligated to) pay on your behalf any amount that you owe to an Approved Supplier or other third party. If we do so, then you shall reimbursement us such amount plus an additional ten percent (10%) of the amount as an administrative charge within fifteen (15) days of invoice by us accompanied by reasonable documentation evidencing payment.

(i) **Manner of Payment.** Unless otherwise determined by Franchisor, Franchisee will invoice customers and Franchisor will collect all Gross Revenue that is due to Franchisee from National Accounts of Franchisee’s business. From the gross fees collected by Franchisor, we will deduct the Royalty Fee, Brand Fund Fee, and any other amounts you owe to

us. Franchisee's week shall start on Saturday and shall end at midnight each Friday. Franchisor shall deduct from the total amount of the invoices received all fees (including, but not limited to, Royalty Fee, Brand Fund Fee, Software Fee, and any other sums due to Franchisor). Franchisee shall remit to Franchisee the balance of the total invoice amount via ACH within fourteen (14) days of the deadline for receipt of the invoices at Franchisor's corporate office. Franchisor will collect all payments for invoices directly from the account debtors. If Franchisor does not collect full payment for any invoice within 120 days of the date of the invoice, Franchisee shall, within three (3) days of receipt of notice from Franchisor, reimburse Franchisor for the amount due on those uncollected invoices. Franchisee shall remit such amounts for the Royalty Fee to Franchisor in cash or by check, to be received by Franchisor not later than five (5) days after demand therefore. Should Franchisor collect payment from a customer of Franchisee for an invoice that Franchisee has already reimbursed Franchisor, then Franchisor will credit Franchisee's account for said collection, less any out-of-pocket costs or expenses incurred by Franchisor in collection. We may, with written notice, designate another method or time period for payment.

By way of example only, if Franchisee invoices \$100 one week and the only payments due to Franchisor is Royalty Fees, then Franchisor will advance you \$78.00 (\$100 minus the \$22.00 Royalty Fees). If the full payment for that invoice is not collected within 120 days of the date of the invoice, then Franchisor will deduct \$100 from Franchisee's gross fees representing the full amount of the \$100 invoice. Franchisee will then be solely responsible for collecting the full \$100 amount still due after 120 days.

(j) **Late Payments.** At any time that any payment due by Franchisee to Franchisor under this Agreement or any other agreement between Franchisee and Franchisor is at least seven (7) days in arrears, then, without thereby canceling or terminating this Agreement and in addition to and without prejudicing Franchisor's other rights and remedies available under this Agreement and under state and federal law, including the right to terminate this Agreement for the same cause or for any one or more causes, Franchisor reserves the following rights and remedies:

(i) **Interest.** Any delinquent payment shall bear simple interest, until received by Franchisor, computed at the highest interest rate allowed by law or at the rate of two percent (2%) per month, whichever is less.

(ii) **Withholding of Products and Services.** Franchisor may, in its sole discretion, cease providing Franchisee with the services and products, including promotional materials herein provided for, until such time as Franchisee is current in the payment of fees and filing of reports. The failure of Franchisor to provide such services during that period shall not be deemed a breach of this Agreement. Franchisor reserves the right to demand all late payments be paid by cash, certified check, cashier's check, money order, or wire transfer.

(iii) **Insufficient Funds Fees.** If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to One Hundred Dollars (\$100) per violation. This fee is in addition to late fees and interest on any overdue amount described above, and any fees charged by your bank.

(k) **Personal Guaranty.** Simultaneously with the execution hereof, each individual owner, shareholder, general partner or member of the entity operating the Franchise

(who shall all be designated as an “Owner” on Exhibit A) shall execute and deliver to us a personal guaranty, substantially in the form designated on Exhibit E attached hereto (the “Guaranty”), which Guaranty shall be a condition precedent to the grant of the Franchise hereunder and pursuant to which each individual Owner shall be jointly and severally obligated to us under this Agreement.

(l) **No Right to Set-Off.** You agree that you shall not, on grounds of the alleged nonperformance or default by us of any of our obligations under this Agreement, withhold payment of any fee or other amount payable to us under this Agreement or otherwise. Notwithstanding any designation you may make, we have the right to apply any of your payments to any of your past due indebtedness to us.

## 8. ADVERTISING, MARKETING AND PROMOTIONS

### (a) **Advertising Fund.**

(i) **Brand Fund.** Recognizing the value of advertising and marketing to the goodwill and public image of the System and the Franchises, we have established the Brand Fund for such advertising, marketing and public relations programs and materials we deem necessary or appropriate. We reserve the right to defer or reduce the Brand Fund Fee for your Franchise and, upon thirty (30) days’ prior written notice to you, to reduce or suspend contributions to and operations of the Brand Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Brand Fund. If the Brand Fund is terminated, all unspent monies on the date of termination will be used in accordance with this Agreement.

(ii) **Use of the Funds.** We or our designee will direct all programs financed by the Brand Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the Brand Fund may be used to pay any and all costs of maintaining, administering, directing and preparing advertising and promotional activities, including, among other things, the costs of (a) preparing and producing video, e-commerce, website or software enhancements, audio and written advertising, marketing, or promotional materials; (b) professional service fees to our designer and other marketing professionals and salary costs of in-house marketing staff; (c) exploratory marketing and advertising campaigns whether or not ultimately acted upon; (d) operation or marketing techniques; (e) research and development of marketing materials; (f) administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, services, direct mail and other media advertising and employing advertising, promotional and marketing agencies; and (g) supporting public relations and market research. We reserve the right to include “Franchises Available” or similar language along with our contact information on any advertising purchased through the Brand Fund. The Brand Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost, which you may duplicate at your own cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

(iii) **Accounting for the Fund.** The Brand Fund will be accounted for separately from our other funds, but does not need to be in a separate account, and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of

the Brand Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Brand Fund. We may spend, on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchises to the Brand Fund in that year, and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be an asset of the Brand Fund. We are not required to provide franchisees with periodic accounting of the Brand Fund, including the fees paid into the by franchisees, but if we do prepare an accounting of the Brand Fund, it will not be audited and we will make it available to you upon your written request that must be submitted to us. We have the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

(iv) **Brand Fund Limitations.** You acknowledge that the Brand Fund is intended to maximize recognition of the Marks, Intellectual Property and patronage of Franchises. We undertake no obligation to ensure that expenditures by the Brand Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Fund by Franchises operating in that geographic area or that any Franchise will benefit directly or in proportion to its contribution to the Brand Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the Brand Fund.

(b) **Local Advertising.** Franchisee shall spend a minimum of four (4) hours per month to promote the Franchised Business in the Designated Territory in accordance with the System Standards outlined in the Operations Manual.

(c) **Franchisor's Control Over Advertising Materials.** Franchisee must use only advertising and marketing materials that Franchisor has provided to Franchisee or that Franchisor has approved in advance. In the event Franchisee desires to use advertising and marketing materials that Franchisor has provided to Franchisee, Franchisee must submit to Franchisor a description of the media in which Franchisee proposes to use them for Franchisor's consent prior to such use. Franchisor will have ten (10) days in which to approve or disapprove the use of such materials in the media proposed. If Franchisor does not approve the use of such materials within ten (10) days after Franchisor receives them from Franchisee, they will be deemed not approved. In the event Franchisee desires to use advertising and marketing materials that Franchisor has not provided, Franchisee must submit such advertising and promotional materials, together with a description of the media in which Franchisee proposes to use them, to Franchisor for Franchisor's review prior to such use. Franchisor will have ten (10) days in which to approve or disapprove such materials and their use in the media proposed. If Franchisor does not approve the use of such materials or media within ten (10) days after we receive them from you, they will be deemed not approved. All advertising must prominently display the Marks and must comply with any standards for use of the Marks Franchisor establishes as set forth in the Operations Manual or otherwise in writing. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material, within time frames prescribed by Franchisor, at Franchisee's sole cost and expense. Franchisee acknowledges and agrees that all advertising materials provided by Franchisor on behalf of the System are protected by copyright and are Franchisor's exclusive property.

(d) **Photo/Video Release.** You acknowledge and authorize us to use your likeness in a photograph or video in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph or video using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish, or distribute any photograph or video of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph or video of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action that you may have in connection with this authorization. For purposes of this Section, “you” shall refer to your owners if you are a legal entity.

## 9. FRANCHISEE'S OBLIGATIONS

(a) **Fictitious Name.** Franchisee will file for and maintain a Fictitious Name registration for the Franchise as required by the state, county, city, or community where the Designated Territory is located, and will operate the Franchised Business, using the name “THE DOAN GROUP” as your Franchised Business’s principal name. Franchisee will, at its sole cost and expense, perform all filings and procure all required or necessary governmental approvals, permits, or registrations required to do business under such fictitious name, and you agree that you and your Franchised Business will be identified as a franchisee of ours, but not as our agent. You may not use the Marks, or any words or symbols confusingly similar thereto, as part of your entity name.

(b) **Opening of Business.** You will open your Franchised Business within ninety (90) days after the date of the execution of this Agreement. You will not open the Franchised Business until we have certified that you are in full compliance with the requirements of the Operations Manual, this Agreement, and any and all other agreements related to the Franchised Business.

(c) **Compliance with Laws.** You will operate your Franchised Business in strict compliance with all applicable federal, state, and local statutes, regulations, rules, ordinances. You will: (i) strictly comply with all applicable wage, hour, anti-discrimination, and anti-harassment Laws, and the Americans with Disabilities Act, as amended from time to time; and the successor legislation to any and all of them; (ii) duly file all tax returns you are required to file; (iii) duly pay all taxes you are obligated to pay; and (iv) obtain and maintain in good standing all necessary licenses, permits, and other required forms of governmental approval required of you in order to operate your Franchised Business.

(d) **Client Complaints.** Franchisee must respond promptly to client complaints and take such other steps as may be specified by Franchisor in the Operations Manual or otherwise to ensure positive client relations.

(e) **Third Party Actions.** Franchisee must notify Franchisor in writing within five (5) days of any written threat or the actual commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Franchised Business.

(f) **Possible Variation in Certain Standards.** Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, licensing requirements, existing business practices or any other conditions which Franchisor deems to be of importance to the successful operation of such franchisee's Franchise. Franchisee will have no recourse against Franchisor on account of any variation from System standards and other specifications and practices granted to any franchisee and will not be entitled to require Franchisor to grant Franchisee a like or similar variation hereunder.

(g) **Attendance at Conventions.** Franchisor may, in its discretion, hold regional or national conferences, meetings or conventions (each, a "Convention") at a location we select. We will determine the topics and agenda for the Convention to serve the purpose, among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding business operations, and recognizing franchisees for their achievements. Franchisor may require Franchisee's Operating Principal, Designated Appraiser or other managers to attend the Convention and to pay our then-current registration fee. Franchisor does not presently charge a registration or other fee to attend the Convention but reserves the right to charge a registration or other fee to attend the Convention in an amount not to exceed the actual cost of the conference per attendee. In addition, all expenses, including transportation to and from the Convention, and lodging, meals, and salaries during the Convention, are Franchisee's sole responsibility. Failure to attend the Convention is a default under this Agreement.

(h) **Technology.**

(i) **Computer System.** Before Franchisee shall open the Franchised Business, it will obtain and install at the Franchised Business, at its sole cost and expense, estimating software and other various software (collectively, the "Software") and general purpose computer, all designated or approved by us from time to time and as outlined in the Operations Manual (collectively, the "Computer System"). Franchisee shall not use or download any software on your Computer System unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by such unauthorized software in addition to the other remedies provided under this Agreement. We may require you to obtain as part of the Computer System specified computer and communications hardware, equipment, components or software in addition to the Software and services and may modify our specifications for and required components of the Computer System from time to time. You agree to make such modifications and meet such requirements which may require you to incur additional costs. We may require that the Computer System (i) be capable of connecting with our computer system; (ii) perform the functions we designate; (iii) permit us to review the results of your Franchise's operations; and/or (iv) be capable of engaging in any e-commerce (as defined below) activities that we designate or approve. You will use the Computer System to record all your client information and to upload it to our claims management system, for your accounting and bookkeeping functions, for scheduling, for Internet communication and email, for extranet programs, and as we may otherwise specify. Furthermore, you may be required to invest in and implement new technology initiatives at your own expense, which may include, but will not be limited to, music, Internet, TV broadcast, software management applications and

other various software applications, designed to better manage business functions and control costs. We may designate the supplier you use for any goods and services associated with these initiatives.

(ii) Websites. We Due to the importance of maintaining a uniform presence on the internet, we have the right to control all use of URLs, domain names, websites, addresses, meta-tags, links, key words, e-mail addresses and any other means of electronic identification or origin (“e-names”) related to the Franchise. Neither you, nor any of your Owners or Personnel, are permitted to use an e-mail address that is not associated with our www.doan.com URL for the Franchised Business. We may require you, at your expense, to operate certain aspects of the Franchise that we designate through e-commerce methods that we designate, and in the manner we designate from time to time. We also have the right to designate, approve, control or limit all aspects of your use of the Internet, intranet system, World Wide Web, wireless technology, digital cable, use of e-names, virtual worlds, social media, portals, search engine optimization, pay-per-click advertising, home pages, bulletin boards, chat rooms, linking, framing, blogs, text messaging, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, “e-commerce”). Further, you shall, at your sole expense, participate in our websites on the internet or other on-line communications, including an intranet system that we may develop in the future unless we provide otherwise. You must follow all of our policies and procedures for the use and regulation of e-commerce. You acknowledge that certain information obtained through your participation on our websites may be considered Confidential Information, including access codes and identification codes. Your right to participate in our Websites or any intranet system we may develop terminates when this Agreement expires or terminates. We may require that you provide photographic, written or other forms of content to us for use in e-commerce activities associated with the Marks, the Intellectual Property or the System which we may designate. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Intellectual Property and the Marks, including any customer data, click-stream data, cookies, user data, hits and the like. All such information constitutes our Confidential Information as defined herein.

(iii) Data and Data Security. Any information on customers of your Franchised Business that identifies or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived, including but not limited to, personally identifiable information (“Customer Data”) and all information, mailing lists and data bases of Customer Data from whatever source derived, industry standards must be used only in connection with your Franchised Business in accordance with this Agreement. You agree to comply with all applicable laws, regulations and with respect to Customer Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert your best efforts to prevent the unauthorized use, dissemination or publication of Customer Data, subject in all instances to applicable laws. It is your responsibility to determine the data privacy laws applicable to you and your Franchised Business. We expressly disclaim knowledge of the data privacy laws applicable to you. You shall promptly notify us if you become aware of or suspect any unauthorized access to the Customer Data, or if you become the subject of any

governmental, regulatory or other enforcement or private proceeding relating to your data handling practices. You shall promptly carry out any request from us with respect to Customer Data that is reasonably necessary to allow us to comply with data privacy laws applicable to us regarding processing, storage, handling, collection, use, transfer and transmission of Customer Data.

(i) **Patriot Act Compliance.** Franchisee hereby covenants, warrants, agrees, represents, and certifies to Franchisor that neither Franchisee nor any of Franchisee's directors, officers, shareholders, partners, members, employees, or agents, nor any of Franchisee's affiliates, or their directors, officers, shareholders, partners, members, employees, or agents, nor any other direct or indirect interest holders of any of the foregoing: (i) are or have been listed on any Governmental Lists (as defined in Paragraph 9.9.(a) of this Agreement); (ii) are or have been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001), or any other similar prohibitions contained in the rules and regulations of OFAC (as defined in Paragraph 9.9.(b) of this Agreement) or in any enabling legislation or other Presidential Executive Orders in respect thereof; (iii) have been indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any offenses under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA Patriot Act"); (iv) are or have been under investigation by any Governmental Authority (as defined in Paragraph 9.9.(c) of this Agreement) for alleged criminal activity; or (v) have or have had a reputation in the community for criminal or unethical behavior. As used in this Paragraph 9.10 of this Agreement, the following definitions apply:

(i) "Governmental Lists" means any of the following lists: (i) the "Specially Designated Nationals and Blocked Persons List" maintained by OFAC; (ii) any other list of terrorists, terrorist organizations, or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC; or (iii) any similar list maintained by the United States Department of State, the United States Department of Commerce, or any other Governmental Authority, or pursuant to any Executive Order of the President of the United States.

(ii) "OFAC" means the Office of Foreign Assets Control, United States Department of the Treasury, or any other office, agency, or department that succeeds to the duties of OFAC.

(iii) "Governmental Authority" means all federal, state, local, foreign, or other governmental or regulatory agencies, authorities (including self-regulating authorities), instrumentalities, commissions, boards, and bodies.

(j) **General Operating Guidelines.**

(i) Franchisee will cause all of the activities and operations of the Franchised Business to be conducted, at all times, in compliance with the System, including without limitation all rules, guidelines, standards, specifications, plans, programs, methods, techniques, and procedures we may, from time to time establish, as though all such rules, guidelines, standards, specifications, plans, programs, methods, techniques, and procedures were specifically set forth in this Agreement.

(ii) Franchisee will not conduct, or permit to be conducted, any business other than the Franchise contemplated by this Agreement at or from the Franchised Business or the Franchised Business premises without our prior written consent, which consent we may withhold in our sole and absolute discretion.

(iii) Franchisee will offer for sale, sell, and deliver all products and services that we direct you to offer for sale.

(iv) Franchisee will comply with Franchisor's rules, guidelines, standards, specifications, plans, programs, methods, techniques, and procedures related to the nature and quality of services that Franchisee will offer and deliver to its clients at and from the Franchised Business.

(v) Franchisee will keep the Franchised Business open for business and in normal operation during the days and hours Franchisor specifies.

(vi) Franchisor will deal fairly and honestly with all customers, suppliers, vendors, and will render prompt, courteous, and willing service; properly respond to all complaints and take such other steps as may be required to enhance and protect the goodwill associated with the System and the Marks.

(vii) Franchisee will pay promptly when due all debts you owe us or any of our affiliates, and all taxes and other obligations you owe in relation to your Franchised Business; including, without limitation, all federal, state, and local taxes, and all accounts payable of any nature.

(k) **Initial Training Program.** Franchisee, and any other of Franchisee's required employees or agents (including the Operating Principal and Designated Appraiser), shall attend and complete, to the reasonable satisfaction of Franchisor, Franchisor's Initial Training Program. Franchisee shall also implement a training program for its other employees in accordance with the training standards and procedures set forth by Franchisor and/or in the Operations Manual. Franchisee shall employ at all times during the term of this Agreement only employees who have been so trained.

(l) **Best Efforts.** Franchisee shall diligently develop the Franchise and market and promote the Franchise as required hereunder and use its best efforts to meet the performance standards set forth in the Operations Manual.

(m) **Artificial Intelligence Usage.** Franchisor acknowledges and agrees that in order to protect the goodwill of the System and the Intellectual Property, the use of artificial intelligence ("AI") in the Franchised Business must be conducted in a safe, thoughtful, and ethical manner. Franchisee shall adhere to the following guidelines when employing AI technologies within the Franchise operations as well as any other guidance set forth in the Operations Manual:

(i) **Permitted and Prohibited Use of AI.** Franchisee may implement AI solutions within the permitted business scope of operating its Franchise, focusing on tasks such as process automation, customer service optimization, data analysis, and targeted marketing. Franchisee is strictly prohibited from using AI solutions to: (i) access, use, or transmit Confidential

Information or Intellectual Property without Franchisor's prior written authorization; (ii) collect, store, or otherwise utilize Intellectual Property and Confidential Information in any way not expressly permitted under this Agreement and applicable data privacy laws; (iii) engage in any activity that could harm the System or Franchisor's brand reputation or expose it or us to legal or regulatory risk; and (iv) develop or deploy AI solutions that violate applicable laws or regulations, including those pertaining to discrimination, data privacy, and consumer protection.

(ii) Data Security, Confidentiality, and Privacy. Franchisee must implement and maintain appropriate technical and organizational measures to protect the security and privacy of all data processed or stored through AI solutions. Franchisee shall not use, disclose, or permit the use or disclosure of any Confidential Information, including but not limited to trade secrets, business strategies, and proprietary processes, in connection with the development, implementation, or operation of AI technologies. Under no circumstances shall Franchisee use any Intellectual Property and Confidential Information, whether obtained through the System or otherwise, in connection with AI technologies. Franchisee must promptly notify Franchisor of any potential data security breaches or privacy violations involving Franchisee's AI solutions.

(iii) Ethical AI Practices. Franchisee agrees to employ AI technologies in accordance with industry best practices and ethical standards. This includes, but is not limited to, ensuring transparency, fairness, and accountability in AI decision-making processes.

(iv) Monitoring and Reporting. Franchisor reserves the right to periodically audit Franchisee's use of AI solutions to ensure compliance with this provision. Upon request or as otherwise directed in the Operations Manual, Franchisee agrees to provide Franchisor with regular reports on the performance and impact of Franchisee's AI solutions, including metrics relevant to data security, privacy, and compliance in the form set forth in the Operations Manual.

(v) Consequences of Breach. Any violation of this provision constitutes a material breach of this Agreement and entitles Franchisor to all remedies available under law and this Agreement, including termination of the Franchise Agreement. Notwithstanding anything set forth in these guidelines or the Operations Manual, Franchisee is solely responsible for ensuring its use of AI solutions and technologies comply with all applicable laws, rules and regulations, industry best practices, and any vendor supplier contracts. In no event will Franchisor be responsible for Franchisee's use of AI solutions or technologies, and Franchisee shall defend and indemnify Franchisor in accordance with Section 7.4 of this Agreement for any losses and expenses incurred as a result of Franchisee's use of AI solutions and technologies.

## 10. RECORDS AND REPORTS

(a) **Reports.** Franchisee shall submit to Franchisor periodic reports, forms and records, including, without limitation, sales, inventory and expense information, and timely send copies of such reports and records, together with any supporting documentation required by Franchisor, to Franchisor, in the manner and at the times specified in the Operations Manual and as otherwise prescribed by Franchisor, from time to time. Franchisee is required to promptly enter data, updates, and notes into the claim management system. Franchisor may elect to access the information necessary to compile any reports electronically or by any other manner determined by

Franchisor from time to time and reserves the right to request or download reports from Franchisee's computer system

(b) **Audits.** Franchisee shall allow Franchisor to make audits, without prior notice thereof, of Franchisee's Franchise, books and records at any reasonable time, and make Franchisee's books, bank records, tax returns and all other business records available for inspection and audit by Franchisor during normal working hours. Franchisor's right to audit shall include the right to examine books, tax returns and records of other businesses owned, in whole or in part, or operated by Franchisee to determine whether all revenue reported by Franchisee has been properly reported by Franchisee and that appropriate fees and contributions have been paid. Franchisor may conduct audits in person or electronically and may appoint agents and/or representatives to conduct audits on its behalf. Franchisor shall also have the right to audit or cause to be audited the financial statements, sales reports and tax returns which Franchisee submits to Franchisor. Franchisee shall make such financial statements, sales reports and tax returns available for inspection, examination or audit by Franchisor, its agents and/or its representatives at all reasonable times and at such locations as may be designated by Franchisor from time to time. Franchisee shall cooperate fully in all such audits, including providing Franchisor, immediately upon request and demand, with any and all passwords to any of Franchisee's software programs, so that Franchisor may have access to and inspect Franchisee's software and records; and to obtain, on the forms and in the manner so designated by Franchisor, all information for this disclosure to Franchisor. Franchisor has established a uniform list of accounts and/or a uniform bookkeeping system for all of its Franchisees. Franchisee agrees to maintain its books and records in the manner required by Franchisor. In the event an audit of Franchisee's books discloses that Royalty Fees or Brand Fund Fees have been underpaid, by two percent (2%) or more, in any one (1) month period, Franchisor may, in addition to any other remedy available under this Agreement or by law, require Franchisee to pay the audit fees and any expenses, including attorneys' fees incurred by Franchisor in collecting the past due Royalty Fees and Brand Fund Fees. Furthermore, the audit costs and related charges shall be in addition to the interest and/or late charges that are due for delinquent Royalty Fees, Brand Fund Fees and related charges, which accrue, from the date they should have been paid had Franchisee properly and timely reported the relevant transactions and otherwise complied with this Agreement, to the date said amounts are paid, at the rates specified in this Agreement. Franchisee shall immediately correct any deficiencies detected during Franchisor's audits.

(c) **Invoices.** Franchisee shall submit all invoices through Franchisor's claim management system. Franchisee agrees that only Franchisor shall collect the proceeds of sales and services, but that Franchisee is liable to Franchisor for any uncollected amounts, as set forth in this Agreement.

(d) **Timely Payment.** Franchisee shall pay to Franchisor each week through centralized billing all money due and owing, including, but not limited to, the Initial Franchise Fee (if applicable), Royalty Fee, Brand Fund Fee, Software Fee, Administrative Fees and appraisal software fees and/or any other item, in order to maintain its Franchise. Franchisee shall also pay when due all amounts payable by Franchisee pursuant to any provision of this Agreement or any other agreement with Franchisor or its affiliates or subsidiaries or pursuant to any agreement with any other creditor or supplier of the Franchise.

## 11. APPROVED PRODUCTS, EQUIPMENT AND SUPPLIERS

(a) **Products, Equipment and Supplies.** In order to assure a uniform, standardized image with which the public may associate the System and its tradename, logo and Marks, Franchisee must sell all the products and services which Franchisor requires from time to time, and shall sell no product, service or other item at or from the Franchise other than items approved by Franchisor. Franchisee shall not, without Franchisor's prior, written consent, sell, dispense, give away or otherwise provide services, or any products bearing the Marks. All supplies and materials used in the operation of the Franchise shall conform to Franchisor's specifications and quality standards established from time to time.

(b) **Approved Equipment.**

(i) Franchisee shall acquire and maintain certain equipment as may be specified in the Operations Manual, from Franchisor or from Franchisor's approved suppliers or according to Franchisor's specifications and standards. Franchisee shall maintain all equipment used in the operation of the Franchise in good condition and in conformity with established standards of sanitation, safety and repair, including, without limitation, such periodic repairs, replacements or rehabilitation as may be required because of damage and normal wear and tear.

(ii) Franchisee shall use and properly maintain at the Franchise at all times throughout the term of this Agreement any and all software and other products prescribed by Franchisor, from time to time, and set forth in the Operations Manual or otherwise. Franchisee shall exclusively use Franchisor's claim management system website to record and store all administrative vehicle description appraisal information, and all completed file information; handle all invoicing, and run management reports for the Franchised Business.

(c) **Approved Suppliers.**

(i) Franchisee must purchase products, supplies and equipment from suppliers approved and designated by Franchisor, as may be required by Franchisor (the "Approved Suppliers"). Unless elsewhere provided for in the Operations Manual or in this Agreement, Franchisee may purchase equipment, supplies and products required under this Agreement from any source, provided that Franchisor determines that the supplier meets the standards established from time to time by Franchisor, and the items to be purchased are in strict accordance with Franchisor's standard specifications, all as more specifically described in this Agreement and in the Operations Manual.

(ii) If Franchisee proposes to use in or purchase for the operations of the Franchised Business any product, supply, material, equipment or furnishing not accepted by Franchisor, Franchisee shall first notify Franchisor and request the approval of Franchisor which shall be in Franchisor's sole discretion. Upon Franchisor's request, Franchisee shall submit to Franchisor sufficient information regarding such product, supply or material to Franchisor and/or samples for examination by Franchisor. Franchisor shall also have the right to require that its representatives be permitted to inspect such supplier's facilities. As a condition for acceptance of any new supplier, Franchisee shall reimburse Franchisor for its expenses in connection with any such examination, testing or inspection.

(d) **Prices.** Franchisor may from time to time offer guidance to Franchisee relative to prices for the products (if applicable) and Services offered through the Franchise that in Franchisor's judgment constitutes good business practice. Franchisee shall have the sole right to determine the minimum prices charged; however, Franchisor may impose minimum and maximum prices. Franchisor shall determine the prices charged to National Account customers.

## 12. OPERATIONS MANUAL

(a) **Confidential Operations Manual.** During the Initial Term and any Renewal Term, Franchisor will grant Franchisee electronic (or other) access to the Operations Manual or other writings in which Franchisor designates the System Standards (such Operations Manual, and any written guidelines, bulletins, descriptions, instructions, videotapes, audiotapes, magnetic media, and computer software concerning System Standards, including updates, amendments and supplements, however communicated by Franchisor or its affiliates or designees, the "Operations Manual"). The Operations Manual may be modified by Franchisor from time to time to reflect changes in the System Standards. Revisions to the Operations Manual will be effective on delivery to Franchisee (including via electronic format), unless Franchisor specifies a later effective date for a particular revision. If the Operations Manual is lost, stolen or damaged, Franchisee must obtain a replacement from and Franchisor may charge Franchisee for such replacement. If a dispute develops with respect to the contents of the Operations Manual, the master copy maintained at Franchisor's principal office (or the electronic version of the Operations Manual Franchisor designates) will be controlling. Franchisee must keep the Operations Manual in a secure location which allows access only to those who have signed a Confidentiality and Non-Solicitation Agreement. The Operations Manual is property of Franchisor and must be returned to Franchisor upon its request. Franchisee shall be liable to Franchisor for any unauthorized disclosure by Franchisee or any of Franchisee's affiliates, shareholders, principals, directors, officers, employees, agents or other such persons or entities obtaining access of any information contained in the Operations Manual through Franchisee. Franchisee will not use the Operations Manual and such other information in any other business or in any manner not specifically authorized or approved in writing by Franchisor.

(b) **Trade Secrets and New Concepts.** Franchisee acknowledges that its entire knowledge of the operation of the Franchised Business, including without limitation the contents of the Operations Manual, is derived from information disclosed to Franchisee by Franchisor and that such Operations Manual and other such information are confidential and Franchisor's trade secret. Franchisee agrees that it will maintain the absolute confidentiality of the Operations Manual and all such other information during and after the term of the Franchise Agreement, disclosing the same to the other employees of the Franchised Business only to the extent necessary for the operation of the Franchise in accordance with this Agreement.

## 13. TRADE SECRETS AND CONFIDENTIAL INFORMATION

(a) **Disclosure by Franchisor.** During the Term, as a result of the Franchise granted hereby, and in order to carry out Franchisee's duties hereunder, Franchisor may disclose, a variety of information concerning it, its affiliates, its business and the System including, without limitation: the Operations Manual; System Standards; the Intellectual Property; methods for operating, managing and developing the Franchise; marketing, advertising and promotion

methods, strategies, campaigns and discussions; best-know-methods, standard operating procedures, techniques, processes and practices and initiatives; equipment or supplies; recruitment, training and compensation methods; reporting methods and techniques; recruitment, human resourcing, training, sales and merchandising strategies; any related underlying materials, analyses, compilation, forecasts, research or market studies; proprietary software (if applicable); customer lists (including information on National Accounts); trade secrets; referral sources; billing and collection methods; training materials; know-how; procedures and processes for providing the Services; financial information; and any other non-public information about Franchisor and its Approved Suppliers, strategic partners, franchisees, business plans, employees, and independent contractors (collectively, the "Confidential Information"). The parties acknowledge that the Confidential Information is proprietary, confidential and Franchisor's trade secrets. Franchisee acknowledges that Franchisor and its affiliates have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information.

(b) **Non-Disclosure by Franchisee.** Franchisee shall not, without prior written consent of Franchisor, disclose, divulge, or publish to others the Confidential Information; provided, however, that Franchisee may disclose the Confidential Information to its Operating Principal, Designated Appraiser, officers, directors, principals, employees, or persons acting on its behalf whose duties require such disclosure and to the extent to required to perform such duties, if, but only if, such person has first executed a non-disclosure agreement and any other such agreements in form and substance as approved by Franchisor as Franchisor may require from time to time ("Personnel NDA"). Failure by Franchisee to obtain a Personnel NDA from any of its personnel, employees, contractors or representatives is a material breach of this Agreement. The parties further agree that some of the Confidential Information may not be considered to constitute a trade secret under applicable law. In such event, the non-disclosure and non-reproduction covenants contained herein shall be limited and in time to appear commencing with the date of this Agreement and ending after the expiration of thirty-six (36) months following the termination of this Agreement; provided, however, such time limitation applies only with the respect of Confidential Information not constituting trade secrets and nothing contained herein is to be construed as limiting in time the prohibition on the disclosure of Franchisor's trade secrets.

(c) **Use and Ownership.** All trade secrets and Confidential Information furnished or disclosed by Franchisor to Franchisee hereunder are and shall remain the property of Franchisor. You will use your best efforts and diligence both during and after the Term to protect the Confidential Information and our goodwill. Any reproductions, notes, summaries or similar documents relating to the trade secrets and Confidential Information and any files, memoranda, reports, price lists, customer lists, interior and exterior layout plans, construction plans and specifications, equipment and decor plans and specifications and other documents relating to the System shall become and remain the property of Franchisor immediately upon their creation. During the term of this Agreement, except with the prior, written consent of Franchisor, Franchisee shall not make any copy, extract or reproduction of any kind of any of the Confidential Information, unless and to the extent that such copies, extracts or reproductions are required by Franchisee for the conduct of business and are used by Franchisee strictly in the cause thereof. Immediately upon termination or expiration of this Agreement or upon Franchisor's prior demand, Franchisee shall immediately return to Franchisor all such Confidential Information and reproductions thereof and all other such materials together with all copies thereof in Franchisee's possession and/or control.

(d) **Franchisor Remedies.** Franchisee further acknowledges that all Confidential Information, whether or not a trade secret, is confidential. In addition, Franchisee acknowledges that the disclosure or reproduction of such Confidential Information would damage the business of Franchisor and that the unauthorized disclosure and reproduction of such Confidential Information would irreparably harm Franchisor, and that Franchisor would be entitled to injunctive relief to prevent or remedy any such unauthorized disclosure.

#### 14. PERSONNEL, INDEPENDENT CONTRACTOR; COVENANTS OF NON-COMPETITION, NON-SOLICITATION AND NON-DISCLOSURE

(a) **Personnel Development.** Franchisee will have the sole authority and control over the day-to-day activities of its employees. Franchisee will be solely responsible for recruiting, training and developing all employees, staff, workers, appraisers, independent contractors, and any other personnel as may be needed (“Personnel”). Franchisee is responsible for making sure all Personnel are capable of performing their duties in accordance with System Standards. When hiring Personnel, Franchisee shall use best efforts to hire qualified, competent and when applicable, licensed, employees. Franchisee is solely responsible for the supervision of its employees. Franchisee will decide the compensation to be paid to its Personnel. We will not be responsible for payment of any compensation to you or your Personnel. At no time will you or your employees be deemed to be employees of us or our affiliates.

(b) **Taxes and Related Matters.** You shall be responsible for income and other taxes required to be withheld and hereby assume full responsibility for payment of the employer’s portion of any social security, federal and state taxes and any other taxes required to be withheld for your Personnel. You shall also pay and/or withhold taxes and premiums for unemployment and workers’ compensation insurance for your Personnel, as required by state and/or federal law.

(c) **Indemnification.** You will indemnify us, hold us harmless from, and defend us against any and all liabilities, losses, expenses, and obligations that we may incur related to any of your Personnel (or any person assisting or working on behalf of the Franchise) arising out of any claim, cause of action, complaint, proceeding (in litigation, arbitration, mediation, administrative process, regulatory proceeding or otherwise) relating to your obligations to pay them any compensation or remuneration or otherwise relating to an employment relationship. You understand and acknowledge that we are under no obligation or liability to any of your Personnel for any remuneration, compensation, commission, employment or any other duty, responsibility, liability or obligation. Your indemnification obligations: (i) include reimbursement to us of any and all of our attorneys’ fees and costs in defending any such claim from your Personnel, (ii) survive expiration or termination of this Agreement, and (iii) extend to our affiliates, representatives and agents.

(d) **Covenant Not to Compete.**

(i) **In-Term – Competitive Activities.** You acknowledge our legitimate business interest in the Confidential Information and goodwill associated with our System. You covenant that during the Term of this Agreement, except as otherwise approved in writing by us, you and each of your Owners and each of their respective spouses shall not, directly or indirectly

(whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on your own account):

(1) Divert or attempt to divert any business or customer to any competitor, by direct or indirect inducement or otherwise, to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks, Intellectual Property and the System; or

(2) Own, maintain, engage in, be employed by, lease real estate to, finance, or have any interest in any Competitive Business (as defined below), other than a Franchise under an effective Franchise Agreement with us.

(ii) Post-Term Competitive Activities. Franchisee recognizes that Franchisor has developed much goodwill in the System and has a need to protect its name and business and the potential for further expansion. For a period of twenty-four (24) months following the expiration or termination of this Agreement for any reason, unless we otherwise permit in writing, neither you nor your Owners or their respective spouses shall, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on your own account):

(1) Participate in the development of, or engage in, or market, sell, distribute, render, provide, perform, offer or sell similar services, or contribute your knowledge to, or have any financial interest in, any work or activity that relates to or involves any of the Confidential Information or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing or promoting of a Competitive Business (i) within the Designated Territory, (ii) within any geographic territory that we have assigned to a Franchise or in which we directly operate, market or sell, (iii) via the Internet or other form of e-commerce, wherever located, or (iv) within twenty-five (25) miles of the Designated Territory or any protected area described in clause (ii) above in existence or under development as of the end of the Term;

(2) Induce or attempt to induce, or solicit any of our or other Doan strategic partners, customers, referral sources, brokers, appraisers, Personnel or other independent contractors to accept employment or an affiliation with you; or

(3) Solicit, divert, contact, take away or interfere with any of our business, customers, referral sources, brokers, insurers, suppliers, trade or patronage with whom we (or our affiliates or franchisees) do business or whom you know we have contacted or solicited for business relationships, or those of any of our affiliates or franchisees, as of the date of termination or expiration of this Agreement.

(e) **Definition of Competitive Business.** For purposes of this Agreement, a “Competitive Business” is the business that offers, markets or performs property and casualty damage appraisals, pre-underwriting inspections, vehicle adjustment work, special investigation services, scope and photo services, or related services for vehicles, including, without limitation, appraisal of automobiles and motorcycles, commercial and residential property and structures, heavy equipment, off-road equipment, boats, recreational vehicles, mobile homes and claims

auditing on behalf of insurance companies, insurance agents, leasing companies, exotic car owners, independent adjusting companies, or mechanical warranty companies.

(f) **Covenant Not to Interfere.** During the term of this Agreement and for a period of twenty (24) months thereafter, Franchisee shall not, either directly or indirectly, on Franchisee's own behalf or in the service or on behalf of others, solicit, divert or induce any change in, or attempt to solicit, divert or induce any change in, the transacting of any business with Franchisor or any other franchisee of Franchisor by any customer, client, or referral source of Franchisor.

(g) **Covenants by Owners and Others.** Franchisee shall require each of its owners, Operating Principal and Designated Appraiser, each of Franchisee's Owners' spouses, and all Personnel who attend any training Franchisor provides or who have access to Franchisor's Confidential Information, as allowed under applicable law, to enter into an agreement in form satisfactory to Franchisor and substantially similar to the agreements attached as Exhibit E (Personal Covenants) and Exhibit F (Non-Compete, Confidentiality and Non-Solicitation Agreement), respectively, to this Agreement, or as Franchisor otherwise prescribes (collectively, "Restrictive Covenant Agreement").

All other Personnel must sign a Confidentiality and Non-Solicitation Agreement in the form attached to this Agreement as Exhibit G ("NDA"), and with respect to all Personnel, such agreements must be signed on or before the date such person is hired. Franchisee must provide Franchisor with a copy of each Restrictive Covenant Agreement and NDA within five (5) days after it is signed.

The agreement shall contain covenants precluding each such person from (i) competing with any of Franchisor's franchisees, (ii) soliciting, diverting or inducing any change in (or attempting same) the transacting of any business with Franchisee or any other franchisee of Franchisor by any customer of Franchisee, (iii) disclosing or using for the benefit of any person, association or corporation, any information or knowledge concerning customers, or the methods, promotion, advertising or any other systems or methods of operation of Franchisor's business or that of Franchisor's franchises which said individual may have acquired by virtue of its employment or association with Franchisee and which are considered to be confidential or proprietary information; and (iv) doing any deliberate act prejudicial or injurious to Franchisor's goodwill or name, during employment and/or association with Franchisee and for a period of twenty-four (24) months after employment termination, to the full extent permitted by applicable law, which agreement must contain explicit provisions that Franchisor is a third party beneficiary thereof and must be signed by such persons no later than contemporaneously with their commencement of duties with Franchisee or must otherwise provide sufficient legal consideration. Franchisee shall furnish a duplicate of each such agreement to Franchisor promptly upon assumption of duties by each such person.

(h) **Franchisor Remedies.** The parties acknowledge and agree that the covenants of this Agreement are limited and are not intended to entirely prevent Franchisee from continuing in the same type of business conducted by Franchisor. The restrictions are the essence of Franchisor's ability to protect itself from the competitive advantage obtained by Franchisee and Franchisee's detrimental use of information and relationships paid for and developed by

Franchisor. Franchisee recognizes and acknowledges that its breach of this covenant not to compete will irreparably harm Franchisor and that Franchisor will be entitled to injunctive relief to remedy such breach in addition to and not in lieu of any other remedy Franchisor may have.

(i) **Independent Contractors.** Franchisee is not, and shall not hold itself out as, an agent, legal representative, joint venture, partner, employee or servant of Franchisor for any purpose whatsoever. Franchisee is an independent contractor and is in no way authorized to make any contract agreement, warranty or representation on behalf of Franchisor, or to create any obligation express or implied on behalf of Franchisor. In all public records and in its relationship with other persons, on letterheads and business forms, Franchisee shall indicate its independent ownership, and that it is only a franchise.

(j) **Notification of Legal Proceedings and Crisis Management Events.** You will notify us in writing as soon as possible but in no event more than twenty-four (24) hours of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, of which you become aware and which may adversely affect the operation or financial condition of your Franchised Business. Upon the occurrence of a Crisis Event (defined below), you will immediately inform us by telephone and email (or other electronic medium authorized by us for this purpose). You will cooperate fully with us with respect to our response to the Crisis Management Event. In the event of the occurrence of a Crisis Management Event, we may also establish emergency procedures, which may require you to temporarily close the Franchised Business to the public, in which event we shall not be liable to you for any loss or costs, including consequential damages or loss profits occasioned thereby.

For purposes of this Section, a “Crisis Event” any event or business interruption that runs the risk of (1) escalating in intensity; (2) adversely impacting Doan’s Franchised Business’s financial position; (3) causing harm to Customers, Personnel or the public or damage to their respective property or the environment; (4) falling under close media or governmental or regulatory scrutiny; (5) interfering with normal operations and wasting significant management time and/or financial resources; (6) adversely affecting Personnel morale; or (7) jeopardizing the business, the Marks or the System’s reputation, image, products, brand, intellectual property, or management and therefore negatively impacting its future. Without limiting the foregoing, a Crisis Event shall include contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance, which may damage the System, Marks, or our image or reputation.

(k) **Press Releases.** You will not issue any press release or conduct any interviews regarding your franchised business without our prior express written approval.

(l) **Contributions and Donations.** You will not make any contributions or donations of items, services, or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic, or other type of organization (or to any individual on behalf of any organization) in the name of Doan or otherwise associate with any Mark, without our prior express written consent.

## 15. INSURANCE AND INDEMNIFICATION

### (a) **Insurance Provisions.**

(i) Franchisee will carry continuously during the term of this Agreement insurance of the types (including general business liability, worker's compensation, employer's liability, motor vehicle liability, various special liability coverage, and professional liability (errors and omissions)) in the amounts and with the coverage this Agreement and the Operations Manual specify from time to time and such additional insurance as may be required by laws or regulations applicable to the Franchised Business. It is Franchisee's sole obligation to determine whether such additional insurance is required by laws or regulations applicable to the Franchised Business.

(ii) Until the Operations Manual specifies otherwise, Franchisee will carry general liability, employer's liability and automobile liability insurance (including non-owned driver insurance for the automobile Franchisee uses in the Franchised Business) with policy limits of \$1,000,000 per person for death or bodily injury, \$500,000 property damage, and \$1,000,000 aggregate, cyber liability insurance in the minimum amount of \$1,000,000 and errors and omissions insurance in the minimum amount of \$2,000,000. Each policy must (1) be obtained from an insurance carrier that has and maintains a Best's Insurance Reports rating of A, Class VIII, or better; (2) satisfy the additional insured requirements set forth below and afford separate coverage to each named insured; (3) provide for a deductible of not more than \$7,500 per occurrence; (4) contain no provision that limits or reduces Franchisee's coverage on account of a claim against Franchisee by Franchisor; (5) provide for not less than 30 days' prior notice to Franchisor of cancellation, amendment, expiration or non-renewal; and (6) be primary coverage without the right of contribution from any of Franchisor's insurance. Franchisor may change these insurance requirements, upon reasonable notice to Franchisee, to conform to reasonable business practices, including, without limitation, due to changes in industry standards or requirements by customers. If Franchisee fails to maintain the required insurance, Franchisor may obtain coverage on Franchisee's behalf and charge the cost to Franchisee plus an administrative fee equal to ten (10%) of the premium.

(iii) Franchisor may also secure required minimum insurance coverage under a blanket or master policy and charge Franchisee the premium for such coverage plus an administrative fee. Payment will be spread out over fifty-two (52) equal, weekly payments. Franchisor may also secure the required coverage if Franchisee fails to maintain such coverage for any reason and Franchisee agrees to reimburse Franchisor for the premium costs Franchisor incurs to provide such coverage, plus Franchisor's administrative fee. Franchisor may deduct such amounts from net revenue due to Franchisee or demand payment within ten (10) days.

(iv) The cost of the insurance policies will vary depending on the insurance carrier charges, terms of payment and certain factors unique to each Franchise, including location, size and business volume. The standards and specifications for insurance coverage as set forth in this Agreement and in the Operations Manual are intended as "minimum" standards and Franchisee must review Franchisee's insurance coverage and policies, and Franchisee should consult with Franchisee's insurance agents, brokers, attorneys or other insurance advisors, to determine if additional coverage is necessary, desired or appropriate for Franchisee's Franchise in

addition to the coverage and limits required by us. Franchisor does not represent or warrant that any insurance that Franchisee is required to purchase, or which Franchisor procures on Franchisee's behalf or offers pursuant to this Agreement, will provide adequate coverage for Franchisee. The requirements of insurance specified in this Agreement and in the Operations Manual are for Franchisor's protection. If Franchisee believes that Franchisee should not be required to carry an identified type of insurance or otherwise comply with Franchisor's minimum insurance requirements, Franchisee must submit a written waiver request and obtain a waiver from Franchisor. Until such time as Franchisor notifies Franchisee in writing of Franchisor's approval, Franchisee is obligated to comply with all minimum insurance requirements.

(v) Each insurance policy required under this Agreement and/or the Operations Manual must contain a Grantor of Franchise endorsement approved in writing by Franchisor naming Franchisor as additional insureds and an additional insured endorsement approved in writing by Franchisor naming Franchisor, Franchisor's affiliates and each of their respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on Franchisee's general liability policies continuously during the term of this Agreement.

(vi) Franchisee's obligation to obtain and maintain the insurance policies in the amounts specified in this Agreement and the Operations Manual shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnification provisions set forth in this Agreement. Franchisee's insurance procurement obligations under this Agreement and as specified in the Operations Manual are separate and independent of Franchisee's indemnification obligations under this Agreement.

(vii) Prior to the time any insurance is required to be carried by Franchisee, and thereafter prior to the renewal of any such policy, Franchisee must submit to Franchisor a copy of the certification of insurance evidencing such coverages that are required by this Agreement and the Operations Manual. Franchisee will also furnish a full copy of each insurance policy, both prior to the first day Franchisee provides any Services and within ten (10) days after each policy renewal date. Franchisor's review and verification of certain elements of Franchisee's insurance does not in any way reduce or eliminate Franchisee's obligations to fully comply with all of the insurance requirements set forth in this Agreement and in the Operations Manual. It is Franchisee's sole obligation to fully comply with these insurance requirements and it is Franchisee's sole obligation to confirm with Franchisee's insurance providers that Franchisee's policies are in compliance.

(b) **Indemnification.** Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor our affiliates and our respective members, directors, officers, owners, employees, agents, contractors, advisors, successors and assignees (hereinafter collectively

referred to as the “Franchisor Releases”) from and against any and all suits, actions, claims, judgments, debts, obligations or rights of action of any kind or nature (hereinafter collectively referred to as the “Claims”), and all costs, including attorney’s fees, incurred by Franchisor in connection therewith, arising out of or relating to the rights granted to Franchisee hereunder, Franchisee’s operation of the Franchise, and any acts, omissions, statements, misstatements, malfeasance, and/or representations of Franchisee, its owners, employees, agents, representatives, contractors, servants, licensees, officers and directors relating thereto. Franchisee hereby agrees to defend, indemnify and hold harmless the Franchisor Releases from and against any and all claims, suits, demands or other causes of action made against Franchisor based upon, arising out of, or in any way related to the breach of any covenant, representation and/or warranty contained in this Agreement and/or in any other agreement between Franchisee and Franchisor or any of its affiliates. Franchisee shall notify Franchisor of any such Claims promptly upon receiving notice or being informed of the existence thereof. Upon such notice from Franchisor, Franchisee shall promptly take such action as may be necessary to protect and defend Franchisor against such Claims, and shall indemnify Franchisor against any loss, costs or expenses incurred in connection therewith. Franchisee shall not be required to indemnify for any Claims arising out of any willful misconduct or gross negligence of Franchisor.

## 16. GOODWILL AND RIGHTS ASSOCIATED WITH THE TRADEMARKS

(a) **Ownership.** Franchisee expressly acknowledges Franchisor’s rights in and to the mark “The Doan Group” or such other trademarks or service marks that Franchisor may develop in the future (collectively, the “Marks”) and agrees not to represent in any manner that Franchisee has acquired any ownership rights in the Marks. Franchisee agrees not to use the Marks or any marks, names or indicia which are or may be confusingly similar in its own corporate or business name, e-mail address or domain name except as authorized in this Agreement. Franchisee further acknowledges and agrees that any and all goodwill associated with the Doan Group System and identified by the Marks will inure directly and exclusively to the benefit of Franchisor and that, upon the termination or expiration of this Agreement for any reason, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee’s use of the Marks.

(b) **Authorized Use.** Franchisee understands and agrees that any use of the Marks other than as expressly authorized by this Agreement, without Franchisor’s prior written consent, may constitute an infringement of Franchisor’s rights therein and that the right to use the Marks granted herein does not extend beyond the expiration or termination of this Agreement. Franchisee expressly covenants that, during the term of this Agreement and thereafter, Franchisee will not, directly or indirectly, commit any act of infringement or contest or aid others in contesting the validity of Franchisor’s right to use the Marks or take any other action in derogation thereof. Franchisee must identify itself as the owner of the Franchised Business (in the manner Franchisor prescribes) in conjunction with any use of the Marks including, without limitation, on invoices, contracts, timesheets, checks, receipts, and business stationary, as well as such conspicuous locations as Franchisor may designate in writing at the premises of the Franchised Business.

(c) **Infringement.** Franchisor will have the sole right to handle disputes with third parties concerning Franchisor’s ownership of, rights in, or Franchisee’s use of, the Marks, Intellectual Property or the System. Franchisee must immediately notify Franchisor in writing if Franchisee receives notice, or learns, of any: (i) improper use of any of the Marks or elements of

the System; (ii) use by any third party of any mark, design, logo or commercial symbol which, in Franchisee's judgment, may be confusingly similar to any of the Marks; (iii) use by any third party of any business practice which, in Franchisee's judgment, unfairly simulates the System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against Franchisee based on Franchisee's use of the Marks or the System. Franchisor will have the right to take any action it deems appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Marks or the System. Franchisee must not settle or compromise any claim, suit or demand asserted against it and agrees to be bound by Franchisor's decisions in handling disputes regarding the Marks and the System. Franchisee must cooperate fully with Franchisor and execute any documents and perform any actions that, in Franchisor's judgment, may be necessary, appropriate or advisable in the defense of such claims, suits or demands and to protect and maintain Franchisor's rights in the Marks and the System. Unless it is established that a third party claim asserted against Franchisee is based, directly or indirectly, on Franchisee's misuse of the Marks or the System, Franchisor agrees to defend Franchisee against the third party claim, provided Franchisee has notified Franchisor immediately after learning of the claim and fully cooperates in the defense of the action. Because Franchisor will defend the third party claim (in accordance with the above), Franchisee is not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. Notwithstanding Franchisor's agreement to defend Franchisee under the conditions in this Section, Franchisee understands and agrees that Franchisor is not liable to indemnify or reimburse Franchisee for any liability, costs, expenses, damages or losses that Franchisee may sustain because of the third party claim. Franchisee, on behalf of itself and its owners, hereby waives any claim against Franchisor, Franchisor's Affiliates, and their respective officers, directors, shareholders, employees and agents based on third party claims involving the Marks or the System including, without limitation, for lost profits or consequential damages of any kind.

(d) **Operation Under The Marks.** Franchisee must use only the Marks which Franchisor designates, and must use them only in the manner Franchisor authorizes and permits. Franchisee further agrees and covenants to operate and advertise only under the names or marks from time to time designated by Franchisor for use by similarly situated franchisees of Franchisor; to adopt and use the Marks solely in the manner prescribed by Franchisor, to refrain from using the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as may, in any way, subject Franchisor to liability therefore; to observe all laws with respect to the registration of trade names and assumed or fictitious names, to include in any application therefore a statement that Franchisee's use of the Marks is limited by the terms of this Agreement, and to provide Franchisor with a copy of any such application and other registration document(s); to observe such requirements with respect to trademark and service mark registrations and copyright notices as Franchisor may, from time to time, require, including, without limitation, affixing "SM," "TM," or "®" adjacent to all such Marks in any and all uses thereof; and to utilize such other appropriate notice of ownership, registration and copyright as Franchisor may require. Franchisee shall not use the Marks or any part or form thereof as part of Franchisee's corporate or other legal name.

(e) **Modification/Replacement of Marks.** Franchisor reserves the right to designate one or more new, modified or replacement Marks for use by franchisees and to require

the use by Franchisee of any such new, modified or replacement Marks in addition to or in lieu of any previously designated Marks. Any expenses or costs associated with the use by Franchisee of any such new, modified or replacement Marks will be the sole responsibility of Franchisee.

(f) **Non-Exclusive License.** The license of the Marks granted to Franchisee herein is non-exclusive and Franchisor retains the right, among others, to (i) use the licensed marks itself in connection with selling products and services; (ii) grant other licenses for the Marks; and (iii) develop and establish other systems using the Marks, similar marks, or any other marks, and to grant licenses thereto without providing any rights therein to Franchisee.

## 17. TRANSFER AND ASSIGNMENT

(a) **Transfer by Franchisor.** Franchisor will have the right to transfer all or any part of its rights or obligations herein to any person or legal entity, including to any competitor of Franchisor which agrees to assume Franchisor's obligations hereunder.

(b) **Transfer by Franchisee.** Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and that Franchisor has granted Franchisee the right to operate the Franchised Business in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and Franchisee's principals. Accordingly, neither Franchisee nor any person owning any direct or indirect equity interest therein, will, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or any portion or aspect thereof, or any equity or voting interest in Franchisee (any such act or event is referred to as a "Transfer"). Any such purported Transfer occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without Franchisor's prior written consent will be a material default of this Agreement.

(c) **Representations as to Ownership.** Franchisee represents that as of the execution of this Agreement its equity and voting control is owned as shown in Exhibit A hereto. If Franchisee, or any approved successor thereof, is a partnership, limited liability company or privately-held corporation, Franchisee will submit to Franchisor prior to any proposed Transfer of an equity or voting interest, and at any other time upon request, a list of all owners reflecting their respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

(d) **Conditions to Franchisor's Consent to Transfer.** Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes the many subjective factors that comprise the process by which Franchisor selects a suitable franchisee. Franchisor will not unreasonably withhold its consent to a Transfer by Franchisee of any interest in this Franchise or any equity or voting interest in Franchisee and such consent will remain a subjective determination and will include, but not be limited to, compliance with the following conditions:

(i) The transferee must demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a franchisee, including, without

limitation, that it meets Franchisor's financial, entrepreneurial, and managerial and business standards then in effect for similarly situated franchisees, possesses a good moral character, business reputation and satisfactory credit rating, will comply with all instruction and training requirements of Franchisor and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise).

(ii) As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied.

(iii) Franchisee has satisfied all monetary obligations owed to Franchisor, its affiliates and its designated suppliers.

(iv) Franchisee has been in substantial compliance with the Franchise Agreement and all other agreements between Franchisee and Franchisor, its affiliates, or its designated suppliers through the Initial Term and any Renewal Term of this Agreement.

(v) As of the effective date of the proposed Transfer, all obligations of the proposed transferee to Franchisor, its affiliates, and designated suppliers (if any) must be fully satisfied.

(vi) The proposed transferee does not have an interest in a Competitive Business.

(vii) Franchisee or the transferee must pay to Franchisor a transfer fee equal to Five Thousand Dollars (\$5,000).

(viii) The transferor must execute a general release under seal where required, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their respective officers, directors, attorneys, owners and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the performance of this Agreement in the form substantially similar to Exhibit H.

(ix) The proposed transferee must execute Franchisor's then-current form of franchise agreement, which may contain terms and conditions substantially different from those in this Agreement, for an initial term equal to the time remaining on the Initial Term of this Agreement as of the date of such Transfer or for a full initial five (5) year term as determined by Franchisor, which will be provided in writing as requested by Franchisee when listing the Franchise for sale.

(x) The transferee and/or its designated managerial personnel must have completed, to Franchisor's satisfaction, the training then required of comparable System franchisees.

(xi) The transferee must obtain all licenses and/or registrations necessary to operate the Franchised Business.

(xii) Franchisor may, depending on all of the applicable circumstances, waive any of the above conditions and qualifications, especially for transfers among original Owners, transfers to trusts created for the benefit of a spouse or children and transfers to family members.

(xiii) Franchisee and its principals, owners, officers, directors, and employees agree to comply with the post-termination provisions of this Agreement, including, without limitation, the non-competition and non-disclosure covenants.

(xiv) Franchisee or transferee must provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption and agreement to faithfully perform all of Franchisee's obligations under this Agreement, for Franchisor's prior written approval.

(xv) Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document.

(xvi) Franchisor's approval of the transfer will not constitute a waiver of any claims Franchisor may have against the transferring party.

(xvii) Franchisor will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Franchise as Franchisee has supplied Franchisor hereunder.

(xviii) In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise.

(e) **Transfer to Entity.** If Franchisee wishes to transfer the Franchise Agreement or any interest therein to a corporation or limited liability company which shall be controlled by Franchisee, which corporation is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the following requirements:

(i) The corporate Franchisee shall be newly organized and its articles of incorporation (or like documents) shall provide that its activities are confined exclusively to the operation of the Franchised Business.

(ii) Franchisee shall retain total ownership of the outstanding stock or other capital interest in the transferee entity, and Franchisee shall act as the principal officer or officers and directors thereof.

(iii) All obligations of Franchisee to Franchisor shall be fully paid and satisfied prior to Franchisor's consent.

(iv) The entity assignee shall enter into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of this business or the use and occupancy of the Franchise premises (as applicable).

If the consent of any other contracting party to any such agreement is required, Franchisee shall have obtained such written consent and provided the same to Franchisor prior to Franchisor's consent.

(v) All owners of 10% of the stock or other ownership interest of the transferee entity shall enter into an agreement with Franchisor jointly and severally guaranteeing the full payment of the entity's obligations to Franchisor and the performance by the transferee entity of all the obligations of the Franchise Agreement.

(vi) Each stock certificate or other ownership interest certificate of the transferee entity shall have conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement.

(vii) Copies of the transferee entity's Articles of Incorporation, Articles of Organization, or other organizational documents including, without limitation, resolutions of the Board of Directors or members, managers or partners (as applicable) authorizing entry into this Agreement shall be promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

(viii) The payment of an administrative fee of Five Hundred Dollars (\$500.00).

(f) **Franchisee May Not Encumber this Agreement.** Franchisee shall not, without the prior written consent of Franchisor, enter into any agreement to borrow money ancillary to which the lender acquires or purports to acquire the right, upon default by the borrower, to assume ownership or control of, or to execute upon, any franchise rights or any ownership interest in this Agreement. This Franchise and this Agreement may not be used as collateral for borrowing without the prior written consent of Franchisor. Franchisee, in connection with any borrowing, will provide to the lender a copy of this Agreement and call the lender's attention specifically to this provision.

(g) **Transfer in the Event of Death or Mental Incapacity.** Upon the death or mental incapacity (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in Franchisee, the executor, administrator, or personal representative of such person must transfer his interest to a third party approved by Franchisor within six (6) months after the death or incompetence. Such transfers will be subject to the same conditions as set forth in Section 17(d). If the heirs or beneficiaries of any such person are unable to meet the conditions in Section 17(d) hereof, Franchisor may terminate this Agreement. If the transfer is to the spouse or adult child who has otherwise been approved by Franchisor, no Transfer Fee shall be charged.

(h) **Consent to Transfer not a Waiver.** Franchisor's consent to a Transfer of any interest in Franchisee will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

(i) **Noncompliance.** Any Transfer that does not comply with this Section 17 shall be null and void.

## 18. DEFAULT AND TERMINATION

(a) **Automatic Termination.** This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following events, which Franchisee agrees constitute good cause for termination:

(i) **Voluntary Bankruptcy.** If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Franchised Business.

(ii) **Involuntary Bankruptcy.** If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the franchised business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

(iii) **Unauthorized Transfer.** If Franchisee purports to sell, transfer or otherwise dispose of the Franchise or any interest in the Franchised Business in violation of Section 17 hereof.

(iv) **Unreported Appraisals.** If Franchisee performs any appraisals that have not been entered in Franchisor's claims management system.

(b) **Termination With Notice and Without Opportunity to Cure.** Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

(i) **Criminal Acts/Other Misconduct.** If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct or other misconduct that negatively impacts the Marks or the operation of the Franchised Business.

(ii) **Fraud.** If Franchisee or Franchisee's principal owners commit any fraud or misrepresentation in the operation of the Franchised Business.

(iii) **Misrepresentation.** If Franchisee or Franchisee's principal Owners make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

(iv) **Failure to Complete Training.** If Franchisee fails to complete the Initial Training.

(v) Repeated Breaches. If Franchisor sends Franchisee more than two (2) notices to cure pursuant to Sections 18(c) hereof in any 12-month period, regardless of whether the breaches have been cured.

(vi) Misuse of the Marks or Confidential Information. If Franchisee or Franchisee's principals materially violate any provision hereof pertaining to the Marks or Confidential Information or misuse the Marks or Confidential Information.

(vii) Violation of In-term Restrictive Covenant. If Franchisee violates the in-term restrictive covenant contained in Section 14.

(viii) Liens. If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within thirty (30) days.

(ix) Insolvency. If Franchisee or any of Franchisee's principals become insolvent.

(x) Abandonment. If Franchisee voluntarily or otherwise abandons the Franchised Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the Franchised Business in accordance with the terms of this Agreement and will apply if Franchisee fails to operate the Franchised Business for a period of three (3) or more consecutive business days without Franchisor's prior written approval.

(xi) Insurance. Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fail to adhere to the requirements of Section 15.

(xii) Government Regulations. Franchisee fails, within fifteen (15) calendar days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the Franchised Business.

(xiii) Government Actions. Any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

(xiv) Anti-Terrorist Activities. Franchisee fails to comply with the provisions of Section 9(i).

(xv) Conversion. If Franchisee converts or attempts to convert for Franchisee's own use any payments from its customers with respect to any appraisals performed under Franchisor's Centralized Billing Program, or otherwise fails to promptly deliver to Franchisor any such payments that it may receive.

(xvi) Salvage. If Franchisee shall purchase or sell any type of salvage.

(c) **Termination With Notice and 30-Day Opportunity to Cure.** Franchisor has the right to terminate this Agreement after notice and expiration of a 30-day cure period if Franchisee fails to perform or comply with any one or more of the terms or conditions of this Agreement which are not specifically enumerated in Sections 18(a) or 18(b) of this Agreement, or any ancillary agreements between Franchisee and Franchisor or any agreement between Franchisee and any of Franchisor's affiliates.

(d) **Nonwaiver.** Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder will not constitute a waiver of Franchisor's rights against Franchisee.

(e) **Step In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to enter upon the premises of the Franchised Business and exercise complete authority with respect to the operation of the Franchised Business until such time as Franchisor determines that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. In the event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of the Franchised Business including, without limitations, costs of personnel for supervising and staffing the Franchised Business and their travel and lodging accommodations, as well as pay a fee of up to Five Hundred Dollars (\$500) per day. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's operation of the Franchised Business.

(f) **Franchisor's Right to Withhold Services.** During any period of uncured default by Franchisee, Franchisor shall have the right to withhold or discontinue providing all services to Franchisee.

## 19. POST TERM OBLIGATIONS

(a) **Obligations upon Termination, Expiration, Non-Renewal or Transfer.** Upon the termination, expiration, non-renewal, or transfer of this Agreement for any reason, Franchisee must immediately:

(i) Cease to be a franchisee of Franchisor under this Agreement and cease to operate the former Franchised Business under the System. Franchisee must not thereafter, directly or indirectly, represent to the public that the former Franchised Business is or was operated or in any way be connected with The Doan Group Franchise System, or hold itself out as a present or former franchisee of Franchisor;

(ii) Pay all sums owing to Franchisor. Upon termination for any default by Franchisee, such sums will include actual damages, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor as a result of the default;

(iii) Return to Franchisor the Operations Manual, Confidential Information, business cards, brochures, marketing materials and other promotional materials, and all trade secrets, confidential materials, and other property owned by Franchisor. Franchisee may not retain a copy or record of any of the foregoing, provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties and any other document which Franchisee reasonably needs for compliance with any applicable provision of law.

(iv) Provide Franchisor a complete list of Franchisee's employees, clients, customers, and contacts and their respective addresses and any outstanding obligations Franchisee may have to any third parties, and all business records of Franchisee that Franchisor may request;

(v) Cease to use in any manner whatsoever, including in Franchisee's future business operations and advertising, any methods, procedures, technology or other component of the Doan System in which Franchisor has any right, title or interest. Franchisee agrees that Franchisor or a designated agent may enter upon the Franchise premises at any time to make such changes and take possession of such items at Franchisee's sole risk and expense and without liability for trespass or compensation to Franchisee; and

(vi) Cease to use the Marks and any other marks and indicia of operation associated with the Doan Group System including stationary and other printed matter and remove all trade dress, physical characteristics, color combinations and other indications of operation under the Doan Group System from the Franchise premises. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it will remove all signage bearing the Marks, and remove any items which are characteristic of the Doan System trade dress from the Franchise premises. Franchisee agrees that Franchisor or a designated agent may enter upon the premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass or compensation to Franchisee.

(vii) Upon the termination, expiration, or non-renewal of the Franchise, Franchisor, or its affiliate will withhold Franchisee's outstanding net sales that are uncollected as of that date and shall release those funds upon collection, subject to offset for funds previously advanced to Franchisee for accounts not yet collected.

(b) **Damages, Costs and Expenses Resulting.** In the event of termination for any default by Franchisee, Franchisee must promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

## 20. DISPUTE RESOLUTION AND CORRESPONDING PROCEDURES.

(a) **Mediation.** All claims or disputes between Franchisee and Franchisor or their respective affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, the Franchised Business, or any of the parties' respective rights and obligations arising out of this Agreement, at Franchisor's discretion, must be submitted first to

mediation prior to a hearing in binding arbitration (except as noted in Section 20(c) below). Such mediation will take place in Atlanta, Georgia (or Franchisor's then-current headquarters) under the auspices of the Judicial Arbitration and Mediation Services ("JAMS"), in accordance with the JAMS' Commercial Mediation Rules then in effect. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Each party will bear their own costs of mediation and share equally the filing fee imposed by JAMS and the mediator's fees. We reserve the right to specifically enforce Franchisor's right to mediation. Prior to mediation, and before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies in detail, the precise nature and grounds of such claim or dispute.

**(b) Arbitration.**

(i) If not resolved by mediation and except as qualified below, any dispute between Franchisee and Franchisor or their respective affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the Franchised Business, at Franchisor's discretion, must be submitted to binding arbitration in Atlanta, Georgia (or Franchisor's then-current headquarters) in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the JAMS then in effect. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any proceedings involving their parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The Federal Arbitration Act, as amended, will govern the rights and duties of the parties to this Agreement to resolve any disputes by arbitration. The matter shall be heard before a single arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. Each party must bear its own costs of arbitration including the fee for their respective arbitrator; provided, however, that the neutral or the single arbitrator's fee will be shared equally by the parties.

(ii) The arbitrator's award must be rendered within 7 days of the close of the hearing and will include all fees, costs and attorneys' fees for Franchisor if Franchisor is the prevailing party. The arbitrators will have no authority to determine class action claims and will have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law may be given preclusive or collateral estoppel effect in any arbitration, except to the extent such issue may have been determined in another proceeding between the parties.

(iii) Judgment upon the award of the arbitrator must be submitted for confirmation to the Superior Court of Newton County, Georgia (or a court of general jurisdiction in the county of Franchisor's then-current headquarters), and, if confirmed, may be subsequently entered in any court having competent jurisdiction. The decision of the arbitrator(s) will be final and binding on all parties to the dispute; however, the arbitrator(s) may not under any

circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages, or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business. This agreement to arbitrate will survive any termination or expiration of this Agreement.

(c) **Exceptions to Arbitration.** Notwithstanding Section 20(b), the parties agree that the following claims will not be subject to arbitration:

(i) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder.

(ii) any claim of Franchisor of non-payment by Franchisee of any fee or other sum due by Franchisee to Franchisor.

(d) **Prior Notice of Claims.** As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the discovery of the violation or breach and grant Franchisor a reasonable opportunity to cure any alleged default. Failure to timely give such notice will preclude any claim for damages.

(e) **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days.

(f) **No Right to Offset.** Franchisee may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

(g) **Venue.** Nothing contained in this Agreement will prevent Franchisor or Franchisee from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard such party's interests. In the event of any litigation arising out of this Agreement or based upon the relationship between the parties, venue for any such litigation shall be any court of general jurisdiction in Newton County, Georgia or the United States District Court for the Northern District of Georgia, Atlanta Division. Franchisee hereby accepts and submits to, generally and unconditionally, for itself and with respect to its property, the jurisdiction of any such courts in any such action or proceeding and hereby waives, to the greatest extent permitted by applicable law defenses based on jurisdiction, venue, or forum non conveniens. The provisions of this Section 20(g) shall be self-executing and shall remain in full force and effect after the termination or expiration of this Agreement. Franchisee acknowledges that this Agreement has been entered into in the State of Georgia, and that Franchisee is to receive valuable and continuing services

emanating from Franchisor's headquarters in Atlanta, Georgia, including but not limited to assistance, support and the development of the System.

(h) **Limitation on Actions.** The parties further agree that no cause of action arising out of or under this Agreement may be maintained by either party against the other unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the complaining party becomes aware of facts or circumstances reasonably indicating that such party may have a claim against the other party hereunder, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.

(i) Franchisee hereby waives the right to obtain any remedy based on the alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any arbitration, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

(i) **Waiver of Punitive Damages.** Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

(j) **Jury Trial Waiver.** With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Franchisee's purchase from Franchisor of the franchise and/or any goods or services.

## 21. SECURITY INTEREST

(a) **Collateral.** You grant to us a security interest ("Security Interest") in all of the equipment, signage, décor, inventory, assets and realty of the Franchise, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchise. All items in which a security interest is granted are referred to as the "Collateral".

(b) **Indebtedness Secured.** The Security Interest is to secure payment of the following (the "Indebtedness"): (a) all amounts due under this Agreement or otherwise by you; (b) all sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies,

assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorney fees that we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and Indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Franchise including, but not limited to, a real property mortgage and equipment leases.

(c) **Additional Documents.** You will from time to time, as required by us, join with us in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

(d) **Possession of Collateral.** Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral

(e) **Our Remedies in Event of Default.** You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of the state in which your Franchise is located (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

(f) **Special Filing as Financing Statement.** This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

## 22. NOTICES

All notices, requests, consents and other communications required hereunder shall be in writing and shall be duly given if hand delivered and a signed receipt obtained, sent by registered or certified mail, postage prepaid, return receipt requested, sent by overnight express type service, or sent by telecommunication with confirmed delivery, including electronic mail, addressed:

If to us:

Woodland Capital Franchising, Inc.  
Attn: Amanda Williams  
5090 Highway 212  
Covington, Georgia 30016  
Email: [amanda.hughes@doan.com](mailto:amanda.hughes@doan.com)

with a copy to:

Fox Rothschild, LLP  
Attn: Eleanor Vaida Gerhards, Esq.  
980 Jolly Road, Suite 110  
Blue Bell, PA 19422-3001  
Tel. 215.918.3642  
Email: [egerhards@foxrothschild.com](mailto:egerhards@foxrothschild.com)  
Facsimile: (610) 397.0450

If to you, to the address and email indicated on Exhibit A to this Agreement. In the alternative, notice shall be sent to such other address as you or we shall have specified in a written notice given to the other party. Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) one (1) day after notice is sent, if by overnight express type service; (c) on the date of transmission by telecommunication with confirmed delivery, if by electronic mail or other electronic method; and (d) on the first occurring of: (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed. Any notice provided by electronic mail or other electronic method shall be confirmed by one (1) of the delivery methods listed under subsection (a), (b), or (d) although this shall not affect the time notice is deemed given hereunder.

## 23. GOVERNING LAW

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Franchisee (and/or any of our affiliates) and Franchisee will be governed by the laws of the State of Georgia, without regard to its conflicts of laws rule. This Agreement will become a valid and enforceable contract when we accept it and sign it in Covington, Georgia. Franchisee and Franchisor expressly agree that this Agreement has been made in the State of Georgia, that substantially all performance of the obligations hereunder has been and will be rendered in the State of Georgia, and that there is a regular stream of business activity between Franchisee and franchisor from and into the State of Georgia.

## 24. SEVERABILITY AND CONSTRUCTION

(a) **Severability.** Should any provision of this Agreement be for any reason held invalid, illegal or unenforceable, such provision will be deemed restricted in application to

the extent required to render it valid, and the remainder of this Agreement will in no way be affected and will remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Section 24 will operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to effectuate fully the provisions hereof. Franchisee understands and acknowledges that Franchisor will have the right to reduce the scope of any covenant of this Agreement binding upon Franchisee, or any portion hereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which will be fully enforceable.

(b) **Execution in Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(c) **Headings and Captions.** The headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as part of this Agreement. All terms and words used herein will be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement will be construed independently of any other section or provision of this Agreement.

(d) **Interpretation of Rights and Obligations.** The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties.

(i) **Franchisor's Rights.** Whenever this Agreement provides that Franchisor has a certain right, that right is absolute and the parties intend that Franchisor's exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify any express limitations set forth in this Agreement.

## 25. ENTIRE AGREEMENT

This Agreement and all exhibits and schedules to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document it furnished to Franchisee.

## 26. FORCE MAJEURE.

In the event of an act of God, terror, war, insurrection, epidemic or pandemic, civil commotion, strike, lockout, or embargo; or lack of materials or telephone transmissions specified or reasonably necessary in connection with the operation of your Franchised Business or the System; or fire, unavoidable casualties, and any other occurrence, event, or condition beyond the reasonable control of Franchisee or Franchisor, whichever is applicable (a “Force Majeure”), Franchisor or Franchisee, as applicable, will be relieved of their respective obligations to the extent that Franchisee or Franchisor are necessarily prevented, or materially hindered or delayed, in such performance during the period of such Force Majeure. The party whose performance is affected by a Force Majeure shall give prompt written notice to the other party of such Force Majeure.

## 27. ACKNOWLEDGMENTS

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The below acknowledgment and statements that are contrary to the North American Securities Administrators Association, Inc.’s Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments shall not apply to prospective franchisees who are residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin or who seek to purchase a franchise located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

We have made no promise or representation to you as to the renewal INITIAL HERE: of this Agreement or the grant of a new franchise after the end of the Initial Term set forth in Section 4 hereof.

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This Agreement and our Franchise Disclosure Document, or “FDD”, INITIAL HERE: have been in your possession for at least fourteen (14) days before you signed this Agreement and before your payment of any monies to us, refundable or otherwise, and that any unilateral, material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before you signed this Agreement, or as otherwise required by state law.

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(a) You have read and understand this Agreement and our Franchise Disclosure Document; (b) We have advised you to consult with your own attorneys, accountants, or other advisers about the potential benefits and risks of entering into this Agreement; (c) You have had ample opportunity to consult with advisors of your own choosing; and INITIAL HERE:

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(d) Our attorneys have not advised or represented you with respect to this Agreement or the relationship created hereby.

You have conducted an independent investigation of the business contemplated by this Agreement, and you acknowledge that, like any other business, an investment in the Franchise involves unavoidable business risks. You acknowledge that the success of the Franchise is primarily dependent upon the business abilities and efforts of you and your Personnel.

INITIAL HERE:

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You have not received any representation, warranty or guarantee, express or implied, from us or any of our officers, directors, shareholders, employees, or agents, as to the potential revenues, income, profits, volume, or success of the business venture contemplated by this Agreement. You acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representation by us or any of our officers, directors, shareholders, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or contrary to the terms hereof. We expressly disclaim the making of any warranty, guarantee, or representations of this type.

INITIAL HERE:

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This Agreement, the documents referred to herein, the attachments hereto, and other agreements signed concurrently with this Agreement, if any, constitute the entire, full and complete agreement and understanding between us and you and supersede any and all prior agreements, no other representations, promises, warranties or agreements have induced you to execute this Agreement. You further acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter, and any oral or written representations, including those that are inconsistent with the terms of this Agreement or our Franchise Disclosure Document.

INITIAL HERE:

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You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

INITIAL HERE:

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**28. NO IMPLIED COVENANT.**

Franchisee and Franchisor have negotiated the terms of this Agreement and agree that neither party shall claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written term or provision of this Agreement.

**29. SUBMISSION OF AGREEMENT.**

Submission of this Agreement to Franchisee does not constitute an offer to enter into a contract. This Agreement will become effective only on its execution by Franchisee and Franchisor, and will not be binding on Franchisor unless and until it is signed by Franchisor's authorized officer and delivered to you.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement the day and year first written above.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Owner Operating Principal

Owner

Owner

**FRANCHISE AGREEMENT**  
**EXHIBIT A**

**INITIAL FRANCHISE FEE, DESIGNATED TERRITORY, APPROVED LOCATION,  
AND FRANCHISEE OWNERSHIP**

Initial Franchise Fee: \$ \_\_\_\_\_

Transfer Fee: \$ \_\_\_\_\_

Description of Designated Territory: \_\_\_\_\_

Franchisee's Principal Business Address, Telephone Number, Cell Phone Number, Facsimile Number, and E-Mail Address:

\_\_\_\_\_

\_\_\_\_\_

Tel.: \_\_\_\_\_

Cell: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Address of Approved Location:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name and Address of Each Owner of Franchisee and Percentage of Ownership:

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

Form of Franchisee (check applicable entity):

Corporation;  
 Partnership;  
 Limited Partnership;  
 Limited Liability Company;  
 Sole Proprietorship;

Other (Specify) \_\_\_\_\_

Organized Under the Laws of the State or Commonwealth of: \_\_\_\_\_

7. Current Administrative Fee Chart

Assignment Write-up and Dispatch	7.5% of Gross Revenue
Inventory Management and Stat using	5.0% of Gross Revenue
Quality Control Review	5.0% of Gross Revenue
Billing and Delivery	7.5% of Gross Revenue

Special Services	\$35.00 minimum to \$400.00 or the actual cost plus 25% of Gross Revenue if outsourced to independent contractor or Doan franchisee for completion, at our discretion
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## FRANCHISE AGREEMENT

### EXHIBIT B

#### Franchise Agreement Financing Addendum

This Agreement Addendum (“Addendum”) is made as of \_\_\_\_\_, by and between Woodland Capital Franchising, Inc. d/b/a The Doan Group, a Georgia corporation (“Franchisor”), and \_\_\_\_\_ (“Franchisee”).

#### Preamble and Background

WHEREAS, contemporaneous with the execution of this Addendum, the parties are entering into a Franchise Agreement (the “Franchise Agreement”) for the purpose of defining the rights and obligations of Franchisee to operate a The Doan Group franchised business (a “Franchised Business”); and

WHEREAS, the parties wish to amend certain terms of the Franchise Agreement in accordance with the terms set forth in this Addendum.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree to amend the Franchise Agreement as follows:

#### Agreement

1. Recitals. The Recitals set forth above are incorporated herein by reference as if set forth in full.

2. Capitalized Terms. All capitalized terms used in this Addendum and not otherwise defined herein shall have the same meaning as set forth in the Franchise Agreement.

3. Amendment. Section 3(a) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: “In consideration of Company’s granting the Franchise, Franchisee will pay Company an initial franchise fee in the amount stated in Exhibit A. The franchise fee is payable in accordance with that certain promissory note attached to the Addendum to the Franchise Agreement as Exhibit I.”

4. Acknowledgment and Confidentiality. Franchisee agrees and acknowledges that it has requested the benefit of the revisions and amended terms of the Franchise Agreement contained in this Addendum. The parties acknowledge that disclosure of the terms of this Addendum would cause irreparable harm to Franchisor and that a material term of this Addendum and the consideration therefore is that the terms of this Addendum shall be held in the strictest confidence. Franchisee shall maintain the confidentiality of this Addendum and shall not disclose the terms contained herein to any person or persons except its professional advisors for legitimate business purposes, or otherwise as required by law. This confidentiality specifically extends to any

prospective or current franchisees of Franchisor that might contact Franchisee. This provision shall not apply in states where prohibited by law.

5. **Ratification and Confirmation of Terms.** Except as specifically modified by this Addendum, the Franchise Agreement and all covenants, agreements, terms and conditions thereof are and shall remain in full force and effect and are hereby in all respects adopted, ratified and confirmed.

6. **No Change.** This Addendum may not be changed orally but only in a writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This Addendum represents the entire agreement and understanding among the parties in relation to the subject matter of this Addendum. All other agreements, writings or oral representations are hereby deemed merged into the terms of this Addendum.

7. **Counterparts.** This Addendum may be executed in multiple counterparts and delivered electronically and each counterpart shall be an original and all counterparts, together, shall constitute this Addendum.

8. **Incorporation by Reference.** The following sections of the Franchise Agreement are hereby incorporated herein by reference, mutatis mutandis: Dispute Resolution (Section 20), Notices (Section 22), Governing Law (Section 23), Severability and Construction (Section 24), and No Implied Covenant (Section 28).

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Addendum to the Franchise Agreement.

**WOODLAND CAPITAL  
FRANCHISING, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
(Name)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

## EXHIBIT C

### ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR CALIFORNIA FRANCHISEES

This Addendum to Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group ("Franchisor") and \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of California; (b) Franchisee is a resident of the State of California; and/or (c) the Doan Group Franchised Business will be located or operated in the State of California.
2. Section 27 of the Franchise Agreement is hereby deleted in its entirety.
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group ("Franchisor") and \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Illinois; (b) Franchisee is a resident of the State of Illinois; and/or (c) the Doan Group Franchised Business will be located or operated in the State of Illinois.
2. Section 41 of the Illinois Franchise Disclosure Act states that, "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.
3. Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

\_\_\_\_\_  
Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group ("Franchisor") and \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; (b) Franchisee is a resident of the State of Maryland; and/or (c) the Doan Group Franchised Business will be located or operated in the State of Maryland.

2. The following sentence is added to the end of Section 1:

Representations in the Franchise Agreement are not intended to, nor shall they act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The following sentence is added to the end of Sections 4(b) and 17(d):

The general release required as a condition of renewal or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 20(g):

Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg., Sections 14-201 through 14-233) shall be commenced within three (3) years after the grant of the franchise.

5. Section 27 of the Franchise Agreement is hereby deleted in its entirety.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group ("Franchisor") and \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the Doan Group Franchised Business will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Sections 4(b) and 18:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which require, except in certain cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.

3. The following sentence is added to the end of Section 4(b) and 17(d):

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposes by Minnesota Statute §§ 80C.01 – 80C.22.

4. Section 17 of the Franchise Agreement is amended to add the following:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require (except in certain specified cases) that Company's consent to the transfer of the franchise not to be unreasonably withheld.

5. The following sentences are added to the end of Section 20:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring arbitration or litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

6. Section 20(j) of the Franchise Agreement is hereby deleted in its entirety and replaced with "Intentionally omitted.."

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT**  
**REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of New York; (b) Franchisee is a resident of the State of New York; and/or (c) the Doan Group Franchised Business will be located or operated in the State of New York.
2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.
3. The following sentence is added to the end of Sections 4(b) and 17(d):

Any provision in the Franchise Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

4. The following sentence is added at the end of Section 17(a):  
Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.
5. The following sentence is added to the end of Section 22:  
Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.
7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

\_\_\_\_\_  
Name of Franchisee Company

By: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group ("Franchisor") and \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of North Dakota; (b) Franchisee is a resident of the State of North Dakota; and/or (c) the Doan Group Franchised Business will be located or operated in the State of North Dakota.

2. The following sentence is added at the end of Sections 4(b) and 17(d):

Notwithstanding the foregoing, any general release Franchisee is required to assent to shall not apply to any liability Franchisor may have under the North Dakota Franchise Investment Law.

3. The following sentence is added at the end of Section 14(a):

Covenants not to compete are generally considered unenforceable in the State of North Dakota.

4. Sections 20(a) and 20(b) of the Franchise Agreement are amended to provide that the site of arbitration or mediation is to be agreeable to all parties and may not be remote from the Franchisee's place of business.

5. The following sentence is added at the end of Sections 20(g):

Under the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a State other than North Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of North Dakota.

5. Section 20(j) of the Franchise Agreement is deleted without further force or effect.

6. Any provision in the Franchise Agreement which requires the Franchisee to consent to a waiver of exemplary and punitive damages is hereby deleted from any Franchise Agreement issued in the State of North Dakota.

7. Any provision in the Franchise Agreement which requires the Franchisee to consent to a limitation of claims within one year is hereby amended to read the statute of limitations under North Dakota Law will apply on any Franchise Agreement issued in the State of North Dakota.

8. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

9. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of

(i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT  
REQUIRED FOR RHODE ISLAND  
FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group ("Franchisor") and \_\_\_\_\_ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Rhode Island; (b) Franchisee is a resident of the State of Rhode Island; and/or (c) the Doan Group Franchised Business will be located or operated in the State of Rhode Island.

2. The following sentence is added to the end of Sections 20(b) and 20(g):

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. The laws of the State of Rhode Island supersede any provisions of the Franchise Agreement, the other agreements or Georgia law if such provisions are in conflict with law.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

\_\_\_\_\_  
Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

\_\_\_\_\_  
Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the Franchise Agreement (“Franchise Agreement”) dated \_\_\_\_\_ between Woodland Capital Franchising, Inc. d/b/a The Doan Group (“Franchisor”) and \_\_\_\_\_ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Washington; (b) Franchisee is a resident of the State of Washington; and/or (c) the Doan Group Franchised Business will be located or operated in the State of Washington.
2. The State of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 (“Act”), which may supersede the Franchise Agreement in Franchisee’s relationship with Franchisor including the areas of termination and renewal of your franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. In the event of a conflict of laws, the provisions of the Act shall prevail.
5. A release or waiver of rights signed by Franchisee shall not include rights under the Act except when signed in accordance with a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.
6. Transfer fees are collectable to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.
9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISE AGREEMENT**  
**EXHIBIT D**  
**ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION**

**Franchisee Information:**

Franchisee Name: \_\_\_\_\_  
Franchise Phone No.: \_\_\_\_\_  
Franchisee Mailing Address (street) \_\_\_\_\_  
Franchisee Mailing Address (city, state, zip) \_\_\_\_\_

Contact Name, Address and Phone number (if different than above)  
\_\_\_\_\_  
\_\_\_\_\_

**Bank Account Information:**

Bank Name: \_\_\_\_\_  
Bank Account No. \_\_\_\_\_  
Bank Routing No. (9 characters) \_\_\_\_\_  
Bank Mailing Address (street) \_\_\_\_\_  
Bank Mailing Address (city, state, zip) \_\_\_\_\_  
Bank Phone No. \_\_\_\_\_  
\_\_\_\_\_

**Payee Information:**

Woodland Capital Franchising, Inc. d/b/a The Doan Group

Authorization:

Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payee. The amount of such charge shall be set forth in a notice from the Payee presented to the Bank no later than Thursday of each week which shall be debited no later than Friday of each week. Franchisee agrees to execute such additional documents as may be reasonably requested by the Payee or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payee has received written notification from Franchisee in such time and manner as to afford the Payee and the Bank to act on such notice. Franchisee understands that the termination of this authorization does not relieve Franchisee of its obligations to make payments to the Payee.

Signature:

Date:

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**INDEMNIFICATION OF BANK**

In consideration of the Bank's compliance with the foregoing request and authorization, the Payee agrees with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

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NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

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**FRANCHISE AGREEMENT**  
**EXHIBIT E**

**PERSONAL GUARANTY OF FRANCHISEE'S PRINCIPAL OWNERS AND SPOUSES**

This Guaranty must be signed by each of the owners, partners, equityholders, members and stockholders and each of their respective spouses (referred to as "you" or "your" for purposes of this Guaranty only) of \_\_\_\_\_ (the "Franchisee") under the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the "Franchise Agreement" and each and every agreement signed by Franchisee and us or any affiliate of ours, including the Franchise Agreement, the "Franchise Agreements") with Woodland Capital Franchising, Inc. ("us," or "our" or "we"). Terms not defined herein shall have the meaning set forth in the Franchise Agreement.

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Franchise Agreements, and in consideration of the direct and personal benefits you will derive from the Franchise Agreements, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Franchisee will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreements; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreements, including but not limited to, breaches of the confidentiality and non-use provisions set forth in Section 13 and the during term and post-term restrictive covenants set forth in Section 14 as if such obligations and covenants were made and given personally by you. The undersigned acknowledges and agrees that such obligations and covenants are fair and reasonable and will not deprive you of your livelihood. If any provision contained in Sections 13 and 14 of the Franchise Agreement is held by a court of competent jurisdiction to be unenforceable as applied to you, then such unenforceable provision may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed and the remainder of Sections 13 and 14 shall remain in full force and effect.
2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Franchisee or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Franchisee arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.
3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty is joint and several; (b) you must render any payment or performance required under the Franchise Agreements upon demand if the Franchisee fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Franchisee or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreements and, for obligations surviving the termination or expiration of the Franchise Agreements, after their termination or expiration.

4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorneys' assistants', mediators', arbitrators' and expert witness' fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.
5. **Effectiveness.** Your obligations under this Guaranty are effective on and from the Franchise Agreement Effective Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreements.
6. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Georgia, which laws shall prevail in the event of any conflict of law.
7. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreements or this Guaranty to our President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.
8. **Dispute Resolution.** At our option, all claims or disputes between you and us arising out of, or in any way relating to, this Guaranty or the Franchise Agreements or any other agreement by and between you and us, or any of the parties' respective rights and obligations arising from such agreements must be submitted first to mediation and then arbitration as set forth in the Franchise Agreements. This agreement to mediate and arbitrate at our option shall survive the termination or expiration of this Guaranty.
9. **Third Party Beneficiaries.** Our officers, directors, owners, members, agents, representatives, affiliates, and/or employees are express third party beneficiaries of the Franchise Agreement and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.
10. **Injunctive Relief.** Nothing contained in this Guaranty shall prevent us from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder.
11. **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation or arbitration, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in Georgia and the jurisdiction and venue of the United States District Court in the State of Georgia.
12. **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS GUARANTY OR THE FRANCHISE AGREEMENTS, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE.

13. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary, and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14. **Waiver of Class Actions.** Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

15. **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or any of the Franchise Agreements may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

16. **Counterparts.** This Guaranty may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Each of the undersigned acknowledges and agrees that as an Owner or spouse of an Owner, you expect to or will gain a direct personal benefit from the Franchise Agreement.

Each of you now sign and deliver this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP  
INTEREST IN BUSINESS ENTITY**

PERCENTAGE: \_\_\_\_\_ %

**GUARANTORS**

NAME: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_  
DATE: \_\_\_\_\_

PERCENTAGE: \_\_\_\_\_ %

NAME: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_  
DATE: \_\_\_\_\_

Spouse

NAME: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_  
DATE: \_\_\_\_\_

Spouse

NAME: \_\_\_\_\_  
SIGNATURE: \_\_\_\_\_  
DATE: \_\_\_\_\_

Signature

Print Name

\_\_\_\_\_, 20\_\_\_\_

## FRANCHISE AGREEMENT

### EXHIBIT F

#### **NON-COMPETE, CONFIDENTIALITY AND NON-SOLICITATION AGREEMENT**

I, \_\_\_\_\_ agree that during my association with \_\_\_\_\_ ("Franchisee") and Woodland Capital Franchising, Inc. d/b/a The Doan Group and its affiliates (collectively referred to as "Franchisor") and for twenty-four (24) months immediately thereafter, I will not (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on my own account):

- (a) Divert, solicit, interfere with, misappropriate, take away or attempt to divert or take away any source of business or revenue or any customer, referral source, broker, insurer, vendor, supplier, trade or patronage with whom Franchisee, Franchisor, any affiliate of Franchisor or any other franchisee does business or whom I know Franchisee, Franchisor, any affiliate of Franchisor or any other franchisee has contacted or solicited for business relationships; or
- (b) Within the Non-Compete Area (defined below), participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell (including through licensing or franchising) products, goods, or services the same or similar to the products, goods, or services offered by the Franchisee or Franchisor, or contribute my knowledge or have any financial interest in any work or activity that relates to or involves or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating or selling juices, smoothies or healthy concept food bowls of any kind at a retail establishment selling primarily such items; or
- (d) Induce or attempt to induce, or solicit any of Franchisee's, Franchisor or other Franchisor's affiliates' or franchisees' strategic partners, customers, referral sources, brokers, personnel or other independent contractors to accept employment or an affiliation of any kind with me or any third party; or
- (e) Perform or contribute to any other act injurious or prejudicial to the goodwill associated with Franchisor or its trademarks, trade names or other intellectual property.

In addition to the above, I agree to at all times during and after this Agreement, treat as confidential all manuals and materials designated for use by Franchisor with a Doan Group business (including without limitation the Operations Manual), and such other information as Franchisor or the Franchisee may designate from time to time for confidential use with the Franchisor business (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Franchise that may be imparted to, or acquired by, me from time to time in connection with my relationship with Franchisor and the Franchisee), and shall use all reasonable efforts to keep such information confidential and shall not use the confidential information for any other purpose other than in connection with the operation of the Franchise. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to Franchisor and the Franchisee. I accordingly agree that I shall not, at any time, without Franchisor's and the Franchisee's prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this

Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about Franchisor's System Standards (as that term is defined in the Franchise Agreement) and such other information or material as Franchisor or the Franchisee may designate as confidential, shall be deemed confidential for purposes of this Agreement.

The "Non-Compete Area" means: (1) in Franchisee's territory as granted by Franchisor to Franchisee under their Franchise Agreement and twenty (20) miles of such Franchisee's territory, (2) within any other Doan Group Franchisee territory or other business which is franchised, owned, operated or managed by Franchisor (3) business conducted via the Internet or other form of e-commerce, wherever located; or (4) within twenty (20) miles of any territory in existence or under development as of the end of the term of the Franchise Agreement between Franchisor and Franchisee.

Because of my significant responsibilities and access to proprietary information of the Franchisor and the Franchisee, I acknowledge that each of my obligations in this Agreement is reasonable and necessary to protect the Franchisee's, Franchisor's and its franchisees' legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Franchisee, Franchisor, and Franchisor's Franchisees for which money damages may not be adequate.

Consequently, if I violate any of my promises in this Agreement, or Franchisor and/or Franchisee has reason to believe that I am about to violate this Agreement, without limitation to other available remedies, Franchisor and Franchisee will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to Franchisor (and/or any of its franchisees) and/or Franchisee, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay Franchisor and/or Franchisee its costs and expenses resulting from any enforcement of this Agreement resulting from my violation of the terms hereof, including reasonable attorneys' fees.

If any court determines that any of the covenants set forth in this Agreement, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. This Agreement shall be enforced and governed by and under the substantive law of the State of Georgia, without regard to choice of law rules, unless otherwise provided herein.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

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Name: \_\_\_\_\_, Individually \_\_\_\_\_ Date \_\_\_\_\_  
Title: \_\_\_\_\_

**AGREED AND ACKNOWLEDGED:**  
Woodland Capital Franchising, Inc. d/b/a The  
Doan Group

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Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## FRANCHISE AGREEMENT

### EXHIBIT G

#### **CONFIDENTIALITY AND NON-SOLICITATION AGREEMENT FOR EMPLOYEES AND INDEPENDENT CONTRACTORS OF FRANCHISEE**

I, by my signature set forth below, agree to comply with and to be bound by this Confidentiality and Non-Solicitation Agreement (the “Agreement”).

I am an employee or independent contractor of \_\_\_\_\_ (the “Employer”). Employer is a franchisee of Woodland Capital Franchising, Inc. d/b/a The Doan Group (“Franchisor”). Franchisor owns certain confidential information and trade secrets; and, in order to induce Franchisor to disclose such Confidential Information to Employer, Franchisor and Employer have required me to execute this Agreement.

I acknowledge and agree that I will receive consideration from my agreement to comply with and to be bound by this Agreement, in that without this Agreement, Employer would not employ me.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of all of which I hereby acknowledge, I agree as follows:

**1. Definitions.** As used in this Agreement:

1.1 “Confidential Information” means any information related to Employer or Franchisor that Employer or Franchisor discloses to me that either designates as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of “Confidential Information”, all the following shall be conclusively presumed to be Confidential Information whether or not Employer or Franchisor designates them as such: (1) Franchisor’s Confidential Operations Manual; (ii) Employer’s and Franchisor’s cost information; (iii) materials describing Franchisor’s franchise network; (iv) Franchisor’s training materials; and (v) other information Employer or Franchisor gives to me in confidence, except where such information is a Trade Secret.

1.2 “Trade Secret” means information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Without limiting the definition of “Trade Secrets,” all the following shall be conclusively presumed to be Trade Secrets whether or not Employer or Franchisor designates them as such: (i) Employer’s or Franchisor’s methods and procedures; (ii) Employer’s or Franchisor’s sources of supply; and (iii) Employer’s or Franchisor’s advertising, marketing, and public relations strategies.

1.3 The terms “Confidential Information” and “Trade Secret” do not include, regardless of the means of disclosure: (i) information generally known to the trade or the public at the time Employer or Franchisor disclose it to me; (ii) information that becomes known to the trade or the public after Employer or Franchisor disclose it to me, unless it becomes known due to

my breach of this Agreement; or (iii) information I can prove was known to me at the time Employer or Franchisor disclosed it to me.

**2. Protection of Confidential Information and Trade Secrets.** I acknowledge and agree that the Confidential Information and Trade Secrets are not, by definition, generally known in the trade; that they are beyond my present skill and experience; and that for me to develop such Confidential Information and Trade Secrets on my own would be expensive, time consuming, and difficult. I further acknowledge and agree that the Confidential Information and Trade Secrets would, if disclosed to a third party or used by me in violation of this Agreement, provide the third party or me with a competitive advantage, and that they would be economically valuable to the third party or me in the development of a competing business or otherwise. Accordingly, in consideration of Employer's or Franchisor's disclosure of the Confidential Information and Trade Secrets to me, I covenant, warrant, and agree that:

2.1 I will not, during the term of this Agreement: (i) appropriate or use any Confidential Information or Trade Secret for any purpose other than at those designated by Employer, in furtherance of Employer's business, and pursuant to Employer's direction; (ii) use any Confidential Information or Trade Secret at any place except at Employer's Doan Group Franchised Business; (iii) disclose or reveal any portion of the Confidential Information or Trade Secrets to any person, other than to Employer's directors, officers, owners, management employees, or others who have a legitimate business need to know of them in order to further Employer's business; or (iv) divulge or use any Confidential Information or Trade Secrets for the benefit of any other person or entity except as Employer or Franchisor expressly authorize.

2.2 I will not, for two (2) years after the termination or expiration of my employment or engagement with Employer for any reason: (i) appropriate or use any Confidential Information for any purpose; or (ii) divulge or use any Confidential Information for the benefit of any other person or entity.

2.3 I will not, at any time after the termination or expiration of my employment with Employer for any reason: (i) appropriate or use any Trade Secret for any purpose; or (ii) divulge or use any Trade Secret for the benefit of any other person or entity.

2.4 I will not copy, duplicate, record, or otherwise reproduce any of the Confidential Information or Trade Secrets, in whole or in part; store such Confidential Information or Trade Secrets in a computer retrieval or data base; or otherwise make such Confidential Information or Trade Secrets available to any third party, except as set forth in this Agreement or as Employer or Franchisor specifically authorize.

2.5 I will make all reasonable efforts and take all reasonable precautions required to prevent unauthorized copying or disclosure of any Confidential Information or Trade Secrets.

2.6 On termination or expiration of my employment with Employer for any reason, or when I am no longer assigned to work with any Confidential Information or Trade Secrets, I will promptly surrender to Employer all copies of any Confidential Information or Trade Secrets and any notes, memoranda, and like material concerning or derived from the Confidential Information or Trade Secrets.

3. **Unfair Competition.** I acknowledge and agree that: (i) any breach by me of Section 2 of this Agreement shall may be conclusively presumed to constitute unfair competition; and (ii) Sections 1 and 2 of this Agreement are a reasonable effort under the circumstances to maintain the confidentiality of Employer's or Franchisor's Confidential Information and the secrecy of their Trade Secrets.

4. **Non-Solicitation of Clients and Customers of Employer.** Employee agrees other than on behalf of Employer, Employee shall not solicit for him/herself, or any person, entity or business combination, the provision of mold cleaning services, mosquito control services, or any environmentally friendly cleaning services to any of Employer's clients or customers for whom or which Employee performed mold cleaning services, mosquito control services, or any environmentally friendly cleaning services on behalf of Employer during the period of eighteen (18) months immediately prior to Employee's termination of employment with Employer. This covenant will continue during the term of Employee's employment with Employer and for a period of two (2) years thereafter.

5. **Works Made for Hire.** If Employer directs me to create works derived from any Confidential Information or Trade Secrets, such works shall be deemed works made for hire and Employer shall own all copyrights in such works, subject to its obligations to assign such rights to Franchisor.

6. **Remedies.** I agree that I shall be liable to Franchisor for any and all damage, damages, loss, losses, costs, and expenses, including reasonable attorneys' fees, caused by my willful or negligent use or disclosure of any Confidential Information, Trade Secret, or information contained therein, in violation of this Agreement. I acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement and is entitled to enforce any provision of this Agreement.

7. **Limitation.** I understand that this is not an employment agreement of any kind, and that I am an "at-will" employee unless otherwise provided in a written employment agreement with Employer.

8. **Construction.** This Agreement shall be governed for all purposes by the laws of the State of Georgia, and shall be construed to maximize protection for Franchisor's rights in the Confidential Information, Trade Secrets, and goodwill. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed, and the balance of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, agreeing to be legally bound hereby, I have duly set my hand and seal to this Confidentiality Agreement and have duly executed and delivered this Confidentiality Agreement as of the date set forth below.

**[SIGNATURES CONTINUED ON FOLLOWING PAGE]**

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Employee

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Print Name

Date: \_\_\_\_\_, 20\_\_\_\_

Address:

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Witness

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Print Name

Date: \_\_\_\_\_, 20\_\_\_\_

Address:

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**FRANCHISE AGREEMENT**  
**EXHIBIT H**

**RELEASE, COVENANT NOT TO SUE, AND INDEMNIFICATION**

THIS RELEASE, COVENANT NOT TO SUE, AND INDEMNIFICATION (the “Release”) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_ (the “Effective Date”), by and among Woodland Capital Franchising, Inc. d/b/a The Doan Group, a Georgia corporation (“Franchisor”) on the one hand; and \_\_\_\_\_, a \_\_\_\_\_ “Franchisee”), and \_\_\_\_\_, an individual citizen of the state of \_\_\_\_\_, an individual citizen of the state of \_\_\_\_\_, and \_\_\_\_\_, an individual citizen of the state of \_\_\_\_\_ (such individuals, collectively, the “Principal Owners”), on the other hand.

**RECITALS**

WHEREAS, Franchisor and Franchisee are parties to that certain Doan Group Franchise Agreement dated as of \_\_\_\_\_, 20\_\_\_\_\_, and certain schedules, exhibits, addenda, attachments, and amendments thereto (collectively, the “Franchise Agreement”), related to the Franchise of Franchisee as described in such Franchise Agreement (the “Franchise”); and

***[FOR USE WHERE FRANCHISEE IS RENEWING THE FRANCHISE]***

WHEREAS, the Initial Term of the Franchise will expire at the end of \_\_\_\_\_, 20\_\_\_\_\_, and Franchisee desires to renew the Franchise, which renewal requires, among other things, that Franchisee and Principal Owners execute and deliver this Release pursuant to Section 4.2 of the Franchise Agreement; and

WHEREAS, Franchisor is agreeable to such renewal, subject to, conditioned on, and in reliance on, compliance by: Franchisee and its Principal Owners with Section 4(b) of the Franchise Agreement; and

WHEREAS, Principal Owners are holders of substantial equity in Franchisee and anticipate benefit from the renewal of the Franchise, and hence from this Release, without which Release Franchisor would not agree to renew the Franchise; and

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement, the renewal Franchise Agreement, and the mutual promises and covenants contained therein, and in further consideration of the sum of Ten and No/100 Dollars (\$10.00) in-hand paid to Franchisee and each Principal Owner, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

***[FOR USE WHERE FRANCHISEE IS TRANSFERRING THE FRANCHISE]***

WHEREAS, Franchisee desires to Transfer the Franchise, certain interests in the Franchise, Franchisee, or certain interests in Franchisee, which Transfer requires, among other things, that Franchisee and Principal Owner execute and deliver this Release pursuant to Article 17 of the Franchise Agreement; and

WHEREAS, Franchisor is agreeable to such Transfer, subject to, conditioned on, and in reliance on, compliance by: (i) Franchisee and Transferee with the Franchise Agreement, including without limitation Article 17 of the Franchise Agreement; and (ii) Principal Owners with Section 19(a) of the Franchise Agreement; and

WHEREAS, Principal Owners are holders of substantial equity in Franchisee and anticipate benefit from the Transfer of the Franchise, certain interests in the Franchise, Franchisee, or certain interests in Franchisee, and hence from this Release, without which Release Franchisor would not consent to such Transfer;

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the Transfer, and in further consideration of the sum of Ten and No/100 Dollars (\$10.00) in-hand paid to Franchisee and each Principal Owner, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

#### **[BODY: FOR USE IN ALL SITUATIONS]**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Release shall have the same meanings as set forth in the Franchise Agreement.

2. **Release.** In specific consideration of Franchisor's consent to the [Renewal of the Franchise] [Transfer of the Franchise], Franchisee, Principal Owners, and the successors and assigns of any and all of them (collectively, the "Releasing Parties"), hereby release, remise, acquit, and forever discharge Franchisor and its directors, officers, members, employees, agents, and attorneys, and Franchisor's affiliates and each and all of their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any of them (collectively, the "Parties Released"), from and against any and all claims, debts, demands, actions, causes of action, loss, losses, damage, damages, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, occurring or accruing prior to the Effective Date of this Release, that arise out of or relate to: (i) the Franchise Agreement; (ii) the Franchise; (iii) the [Renewal of the Franchise] [Transfer of the Franchise]; or (iv) the business relationship that existed or exists between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand; including, without limitation, the offering of the Franchise and the Franchise offering documents. In the event any Releasing Party raises or asserts any claim, action, or cause of action described in this Section 2 of this Release, or alleges any loss, losses, damage, damages, or liabilities described in this Section 2 of this Release, this Section 2 shall be a complete and conclusive defense thereto.

3. **Covenant Not to Sue.** In specific consideration of Franchisor's consent to the [Renewal of the Franchise] [Transfer of the Franchise], the Releasing Parties hereby covenant, warrant, and agree that neither they nor any of them will: (i) make any claim or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Parties Released, or any of them, for any matter, accruing or arising prior to the Effective Date of this Release, that arise out of or relate to: (a) the Franchise Agreement; (b) the Franchise; (c) the [Renewal of the Franchise] [Transfer of the Franchise]; or (d) the business relationship that existed

or exists between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand; including, without limitation, the offering of the Franchise and the Franchise offering documents.

4. **Indemnification.** In specific consideration of Franchisor's consent to the [Renewal of the Franchise] [Transfer of the Franchise], the Releasing Parties covenant, warrant, and agree that they will indemnify, defend, and hold harmless the Parties Released against, and reimburse any and all of the Parties Released for, any and all Claims arising out of or related to any act or omission by the Releasing Parties, or any of them, in violation of or contrary to this Release. For purposes of this indemnification, "Claims" include, without limitation, all obligations, debts, liabilities, demands, claims, causes of action, actions, loss, losses, damage, and damages (actual, consequential, multiplied, enhanced, exemplary, punitive, or otherwise), and costs reasonably incurred in the defense of any claim against any of the Parties Released; including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees; costs of investigations and proof of facts; court costs and other expenses of litigation, arbitration, or alternative dispute resolution; and travel and living expenses. The Party Released affected shall have the right to counsel it reasonably chooses. Under no circumstances will any Party Released be required to seek recovery from any insurer, other third party, or otherwise, or to mitigate any losses and expenses of such Party Released, in order to maintain and recover fully a claim under this Section 4 of this Release. No failure to pursue such recovery or to mitigate a loss will in any way reduce or alter the amounts any Party Released may recover. The obligations of the Releasing Parties under this Section 4 shall be joint and several.

5. **Miscellaneous.**

5.1 The Parties Released are first-party direct beneficiaries or intended third-party beneficiaries of this Release, are entitled to enforce its terms, and are entitled to all its benefits.

5.2 This Release and all matters related to the validity, construction, interpretation, and enforcement of this Release shall be governed by the laws of the State of Georgia without reference to its choice of law or conflicts of law principles; provided, however, if any or all of the provisions set forth in Sections 2, 3, 4, or 5 of this Release are unenforceable under the laws of the State of Georgia, but would be enforceable under the laws of any other jurisdiction where any applicable party is a citizen or resident, then the laws of such other jurisdiction shall apply, but only to the provision or provisions that would be unenforceable under the laws of the State of Georgia.

5.3 In the event of any litigation or other dispute related to this Release between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand, including without limitation any litigation or dispute related to the making of this Release, any such litigation shall be brought in the state or federal court having jurisdiction over the subject matter in the jurisdiction where Franchisor's principal office is located, and the parties specifically and irrevocably consent to the personal jurisdiction of such courts over them and waive any objections thereto they may otherwise have had. The Releasing Parties hereby covenant, warrant, and agree that neither they nor any of them will raise any claim that they or any of them are not subject to personal jurisdiction in the courts enumerated in this Section 5.3 or that venue in any such court is improper, inconvenient, prejudicial, or otherwise inappropriate.

5.4 In the event of any litigation, other dispute, or default related to this Release between the Releasing Parties, or any of them, on the one hand, and the Parties Released, or any of them, on the other hand, including without limitation any litigation or dispute related to the making of this Release, the non- prevailing party shall pay the prevailing party the prevailing party's reasonable costs and attorneys' fees related to such litigation, other dispute, or default, which in the event of litigation shall be taxed as costs, within five (5) days after demand therefor.

5.5 This Release may be executed in multiple counterparts, each of which shall be deemed an original, and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Release effective as of the date first written above.

Franchisee

Name of Franchisee Company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Franchisor

Woodland Capital Franchising, Inc.  
d/b/a The Doan Group

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**NOTE: THIS RELEASE DOES NOT APPLY WITH RESPECT TO CLAIMS ARISING  
UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW  
19.100, AND THE RULES ADOPTED THEREUNDER.**

**FRANCHISE AGREEMENT**  
**EXHIBIT I**

**SECURED PROMISSORY NOTE**

\$\_\_\_\_\_

Date

Each of the undersigned (hereinafter individually referenced as "Maker"), jointly and severally, promises to pay to the order of Woodland Capital Franchising, Inc. (hereinafter "Holder"), at 5090 Highway 212, Covington, Georgia 30016, or at such other place as Holder may designate in writing from time to time, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), together with interest on the unpaid balance of the principal from time to time outstanding from the date of this Note until paid in full, as all hereinafter set forth (the "Loan"). Interest shall be calculated on the basis of three hundred sixty-five (365) days per year.

The following terms shall apply to this Promissory Note:

1. Interest. Interest on the outstanding principal balance of the Loan shall accrue at the lower of the highest rate allowed by law or the prime rate plus three percent (3%) per annum beginning to accrue on the date set forth above. Interest shall be calculated on the basis of the actual number of days elapsed from the later of the date of this Note or the date of the last payment received under this Note to the date of the applicable payment and on the unpaid balance of the principal from the later of the date of this Note or the date of the last payment received under this Note to the date of the applicable payment.

2. Loan Term. If not sooner paid, the entire outstanding principal balance of the Loan, all accrued and unpaid interest and any other payment due hereunder shall be due and payable in equally monthly installments of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), beginning on the \_\_\_\_\_ day of \_\_\_\_\_, and continuing on the \_\_\_\_\_ day of each \_\_\_\_\_ thereafter until the entire principal and interest have been fully paid. All amounts paid pursuant to this Note shall be paid in legal tender for the payment of public and private debts in the United States of America. If any portion of the indebtedness evidenced by this Note is not received by Holder when due, Holder may, at Holder's option and without notice to or demand on any Maker, accelerate all or any portion of such unpaid indebtedness due and declare the same payable at once. Time is of the essence on this Note. Each payment will be made in accordance with the terms of payment for ongoing fees as outlined in that certain franchise agreement of even date herewith (the "Franchise Agreement").

3. Payment of Principal and Interest. All payments hereunder, in Holder's sole discretion, may be applied first to the payment of accrued and unpaid interest and the balance to the payment of principal. This Note may be prepaid in full or in part at any time without penalty. Any prepayment shall be applied first to the discharge of accrued interest and then to the reduction of the principal portion of the installment or installments last maturing hereunder.

4. Late Charge and Interest After Default. If any installment or any payment hereunder is past due for five (5) business days or more, Maker shall pay, upon notification, a late charge of three percent (3%) of the amount of the payment that is past due. If Maker fails to make any payment of principal as required hereunder or otherwise upon an Event of Default under this Promissory Note, the balance of this Promissory Note will bear interest at the rate of ten percent (10%) effective as of the date of the occurrence of the Event of Default; provided, however, Maker shall not be required to pay any amount of interest or other fees or charges that is in excess of the maximum permitted by applicable law. Any payment in excess

of such maximum shall be refunded to Maker or credited against the principal, at the option of Holder. The increase in the interest rate upon the occurrence of an Event of Default shall be applicable whether or not Holder has exercised its option to accelerate the maturity of this Promissory Note and declared the entire unpaid principal amount due and payable.

5. Security Interest.

(a) This Note and the due performance by Maker of all of its obligations hereunder are secured by all of Maker's right, title and interest in and to the following property, in each case whether now or hereafter existing, whether now owned or hereafter acquired and whether or not subject to the UCC (the "Security Interest"): all of the tangible and intangible personal property owned by the Maker's SCA franchised business (the "Franchised Business"), including, without limitation, the license to operate the Franchised Business granted by Holder to Maker pursuant to that certain Franchise Agreement (collectively the "Collateral").

(b) Maker represents and warrants that he has full title to the Collateral free from any lien, security interest, encumbrance, or claim, and Maker will, at Maker's cost and expense, defend any action that may affect Holder's Security Interest in, or Maker's title to, the Collateral.

(c) Maker will join in executing all necessary financing statements in forms satisfactory to Holder and will further execute all other necessary instruments deemed necessary by Holder. Maker hereby acknowledges and understands that Holder may file UCC and such other financing statements (collectively, the "Financing Statements") concerning Holder's Security Interest in the Collateral, and Maker hereby gives its permission to Holder, as Maker's attorney-in-fact, to file all such Financing Statements as deemed necessary in the sole discretion of Holder.

(d) Except in the ordinary course of business, Maker will not, without the written consent of Holder, which consent shall not be unreasonably conditioned, delayed or withheld, sell, contract to sell, lease, encumber, or dispose of the Collateral or any interest in it until this Promissory Note and all debts secured by it have been fully satisfied.

(e) Subject to ordinary wear and tear in the course of Maker's ordinary course of business, Maker will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part of it. Maker will not use the Collateral in violation of any statute or ordinance and Holder will have the right to examine and inspect the Collateral at any reasonable time.

6. Event of Default. The happening of any of the following shall constitute a default hereunder:

(a) Failure of Maker to pay interest or principal under this Note to Holder when due, and such failure remains uncured by Maker five (5) days after the due date;

(b) Maker becomes insolvent, admits in writing its insolvency or its present or prospective inability to pay its debts generally as they become due, does not pay all or any material portion (in number or dollar amount) of its debts as they become due, permit or suffer a judgment to exist against it (unless enforcement thereof is stayed pending appeal), makes or proposes an assignment for the benefit of creditors, convenes or proposes to convene a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium upon or extension or composition of its debts, proposes any such moratorium, extension or composition, or commences or proposes to commence any bankruptcy, reorganization or insolvency proceeding, or other proceeding under any federal, state or other law for the relief of borrowers;

(c) Maker fails to obtain the dismissal, within thirty (30) days after the commencement thereof, of any bankruptcy, reorganization or insolvency proceeding, or other proceeding under any law for the relief of Maker, instituted against it by one or more third parties, fails actively to oppose any such proceeding, or, in any such proceeding, defaults or files an answer admitting the material allegations upon which the proceeding was based or alleges its willingness to have an order for relief entered or desire to seek liquidation, reorganization or adjustment of any of its debts;

(d) Any receiver, trustee or custodian is appointed to take possession of all or any substantial portion of the assets of Maker or any committee of Maker's creditors, or any class thereof, is formed for the purpose of monitoring or investigating the financial affairs of Maker or enforcing such creditors' rights; or

(e) The Franchise Agreement is terminated.

7. Acceleration. If an event of default occurs hereunder, Holder may, in Holder's sole discretion and without notice or demand, declare the entire unpaid principal balance plus accrued interest and all other sums due hereunder immediately due and payable. Failure by Holder to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

8. Costs and Expenses; Waiver by Maker. Maker shall pay to Holder and reimburse Holder for any and all costs and expenses, including attorney's fees and court costs, if any, incurred by Holder in connection with the enforcement or collection hereof; both before and after the commencement of any action to enforce or collect this Promissory Note, but whether or not any such action is commenced by Holder. Maker waives presentment, protest and demand, notice of protest, notice of dishonor and nonpayment of this Promissory Note and expressly agrees that this Promissory Note or any payment hereunder may be extended from time to time without in any way affecting the liability of the Maker hereunder.

9. Cumulative Remedies; No Waiver by Holder. The rights and remedies of Holder hereunder shall be cumulative and concurrent and may be pursued singularly, successively or together at the sole discretion of Holder, and may be exercised as often as occasion therefor shall occur, and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same or any other right or remedy.

10. Evidence of Indebtedness. This Promissory Note is given and accepted as evidence of indebtedness only, and not in payment or satisfaction of any indebtedness or obligation.

11. Headings. The headings used in Promissory Note are for convenience only and are not to be interpreted as a part of this Promissory Note.

12. Attorneys' Fees and Costs. In the event that one or more Events of Default shall occur, and in the event that thereafter this Promissory Note is placed in the hands of an attorney for collection, or in the event that this Promissory Note is collected in whole or in part through legal proceedings of any nature, then and in any such case, Holder shall be entitled to collect (in addition to all principal, interest and other amounts due hereon) Holder's reasonable costs, expenses, and attorneys' fees incurred in the collection of this Note.

13. Waivers and Remedies. Each Maker, surety, endorser, and guarantor of this Note (i) waives demand, presentment for acceptance, presentment for payment, notice of dishonor, protest of dishonor, notice of intent to file suit, and diligence in collecting this Note; (ii) agrees to any substitution, exchange, or release of any collateral securing the indebtedness evidenced by this Note for the release of

any person or entity primarily or secondarily liable on this Note; (iii) agrees that the Holder shall not be required first to institute suit or exhaust its remedies against the Maker or others liable or to become liable on this Note or to enforce the Holder's rights against any collateral then securing the payment of this Note in order to enforce payment of this Note against any collateral then securing the payment of this Note or against anyone liable on this Note; (iv) consents to any extension or postponement of time for payment of this Note and to any other indulgence with respect to this Note without notice thereof; and, (v) agrees that neither the failure of the Holder to exercise the Holder's right to accelerate the maturity of the indebtedness nor the Maker being granted indulgence from time to time shall in any event be considered a waiver of the Holder's right of acceleration or estop the Holder from exercising said right.

14. Usury. All agreements between Maker and Holder, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever, whether by acceleration of the maturity of this Promissory Note or otherwise, shall the amount paid, or agreed to be paid, to Holder for the use, forbearance or detention of the money to be loaned hereunder or otherwise, exceed the maximum amount permissible under applicable law. If from any circumstances whatsoever fulfillment of any provision of this Promissory Note or of any other document evidencing, securing or pertaining to the indebtedness evidenced hereby, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstances Holder shall ever receive anything of value as interest or deemed interest by applicable law under this Promissory Note or any other document evidencing, securing or pertaining to the indebtedness evidenced hereby or otherwise an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under this Promissory Note or on account of any other indebtedness of Maker to Holder relating to this Promissory Note, and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of this Promissory Note and such other indebtedness, such excess shall be refunded to Maker. The terms and provisions of this section shall control and supersede every other conflicting provision of all agreements between Maker and Holder.

15. Assignment. This Note may be assigned by the Holder. Each Maker, surety, endorser, and guarantor of this Note expressly agrees that the rights of any such assignee shall be those of a holder in due course.

16. Governing Law and Dispute Resolution. All claims, causes of action, liabilities, controversies, and disputes relating to the negotiation, formation, construction, interpretation, performance, or enforcement of this Note shall be governed by and construed in accordance with Georgia law. At the option of Holder, jurisdiction and venue for any and all claims, causes of action, liabilities, controversies, and disputes between any Holder, Maker, surety, endorser, and guarantor of this Note shall be proper only in a federal court located in Fulton County, Georgia, or a State Court located in Newton County, Georgia. Each Maker, surety, endorser, and guarantor of this Note hereby consent to the exercise of in personam jurisdiction by any federal court located in Fulton County, Georgia, and any State Court located in Newton County, Georgia.

IN WITNESS WHEREOF, Maker has executed this Promissory Note specifically intending this Promissory Note to constitute an instrument under seal and Holder has acknowledged same.

**[SIGNATURES CONTINUED ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, each Maker has signed this Note under seal effective as of the  
day of \_\_\_\_\_.

MAKER(S):

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Print Name

Address:

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Print Name

Address:

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**EXHIBIT D**

**FINANCIAL STATEMENTS**



# **Woodland Capital Franchising, Inc.**

Financial Statements

February 28, 2025, February 29, 2024  
and February 28, 2023

# **Woodland Capital Franchising, Inc.**

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## Independent Auditors' Report

To the Board of Directors and Stockholders of  
Woodland Capital Franchising, Inc.

### Opinion

We have audited the accompanying financial statements of Woodland Capital Franchising, Inc. (the Company), which comprise the balance sheets as of February 28, 2025 and February 29, 2024, the related statements of operations and stockholders' equity and cash flows for the years ended February 28, 2025, February 29, 2024 and February 28, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2025 and February 29, 2024, and the results of its operations and its cash flows for the years ended February 28, 2025, February 29, 2024 and February 28, 2023, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive style with "Baker Tilly" on the top line and "US, LLP" on the bottom line.

Los Angeles, California  
May 5, 2025

# Woodland Capital Franchising, Inc.

## Balance Sheets

February 28, 2025 and February 29, 2024

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,136,503	\$ 722,461
Prepaid expenses and other current assets	13,251	42,031
	1,149,754	764,492
Total current assets		
<b>Notes Receivable</b>	52,774	82,635
<b>Deferred Tax Asset</b>	27,000	24,947
<b>Intangible Assets, Net</b>	20,900	62,700
	\$ 1,250,428	\$ 934,774
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Income tax payable	\$ 32,570	\$ 83,820
Deposits	5,000	-
Accrued expenses	50,141	50,907
	87,711	134,727
Total current liabilities		
<b>Total liabilities</b>	87,711	134,727
<b>Stockholders' Equity</b>		
Common stock, \$2.50 par value, 100,000 shares authorized, issued and outstanding	250,000	250,000
Additional paid-in capital	209,000	209,000
Retained earnings	703,717	341,047
	1,162,717	800,047
Total stockholders' equity		
<b>Total liabilities and stockholders' equity</b>	<u>\$ 1,250,428</u>	<u>\$ 934,774</u>

# Woodland Capital Franchising, Inc.

## Statements of Operations and Stockholders' Equity

Years Ended February 28, 2025, February 29, 2024 and February 28, 2023

	2025	2024	2023
<b>Revenue</b>			
Royalty and marketing income	\$ 1,746,910	\$ 1,475,745	\$ 1,307,053
Franchise fee income	<u>93,000</u>	<u>60,700</u>	<u>78,320</u>
Total revenue	1,839,910	1,536,445	1,385,373
<b>Operating Expenses</b>	<u>1,421,920</u>	<u>1,295,825</u>	<u>1,375,445</u>
Income from operations	417,990	240,620	9,928
<b>Interest Income</b>	<u>39,161</u>	<u>16,916</u>	<u>3,182</u>
Income before income tax provision (benefit)	457,151	257,536	13,110
<b>Income Tax Provision (Benefit)</b>	<u>94,481</u>	<u>76,352</u>	<u>(15,261)</u>
Net income	362,670	181,184	28,371
<b>Stockholders' Equity, Beginning</b>	<u>800,047</u>	<u>618,863</u>	<u>590,492</u>
<b>Stockholders' Equity, Ending</b>	<u>\$ 1,162,717</u>	<u>\$ 800,047</u>	<u>\$ 618,863</u>

See notes to financial statements

# Woodland Capital Franchising, Inc.

## Statements of Cash Flows

Years Ended February 28, 2025, February 29, 2024 and February 28, 2023

	2025	2024	2023
<b>Cash Flows From Operating Activities</b>			
Net income	\$ 362,670	\$ 181,184	\$ 28,371
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization of intangible assets	41,800	41,800	41,800
Financed franchise fees	(17,000)	(58,933)	(52,500)
Deferred tax asset	(2,053)	(7,726)	(7,726)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	28,780	285	(9,547)
Income tax payable	(51,250)	83,278	(54,664)
Deposits	5,000	-	-
Accrued expenses	(766)	50,907	-
Deferred revenue	-	(5,700)	1,680
Cash provided by (used in) operating activities	<u>367,181</u>	<u>285,095</u>	<u>(52,586)</u>
<b>Cash Flows From Investing Activities</b>			
Issuance of notes receivable	-	(9,256)	(9,683)
Principal payments on notes receivable	<u>46,861</u>	<u>79,411</u>	<u>19,503</u>
Cash provided by investing activities	<u>46,861</u>	<u>70,155</u>	<u>9,820</u>
Net increase (decrease) in cash	<u>414,042</u>	<u>355,250</u>	<u>(42,766)</u>
<b>Cash and Cash Equivalents, Beginning</b>	<u>722,461</u>	<u>367,211</u>	<u>409,977</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 1,136,503</u></u>	<u><u>\$ 722,461</u></u>	<u><u>\$ 367,211</u></u>
<b>Supplemental Disclosures</b>			
Cash paid for income taxes	<u>\$ 147,784</u>	<u>\$ 800</u>	<u>\$ 47,129</u>
Notes receivable issued for franchise fees	<u>\$ 17,000</u>	<u>\$ 58,933</u>	<u>\$ 52,500</u>

# Woodland Capital Franchising, Inc.

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## Notes to Financial Statements

February 28, 2025, February 29, 2024 and February 28, 2023

### 1. Nature of Operations

Woodland Capital Franchising, Inc. (the Company), is a Georgia C-corporation, incorporated on February 5, 2020. The Company began its franchising operations in April 2020 and engages in the business of franchising property and casualty damage appraisal services. The Company handles the initial sale of the franchise and holds the related franchise agreement. In accordance with the franchise agreements between the Company and the franchisees, the Company prepares and produces local, regional or national advertisements and supporting public relations, market research and other advertising, promotion and marketing activities. The Company receives an initial franchise fee upon the commencement of the franchise agreement and recognizes the related royalties once the franchise is operating.

In July 2020, Woodland Capital Holdings, Inc. (WCH), an entity under common ownership, acquired substantially all of the assets of Doan Group (Doan Group), a property and casualty damage appraisal service company (the Acquisition). As part of the Acquisition, WCH obtained the intellectual property related to the Doan Group franchising business and sub-licensed this intellectual property to Woodland Capital Franchising resulting in \$209,000 of intangible asset additions in July 2020.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented on the accrual basis of accounting.

#### Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Company maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

#### Intangible Assets, Net

The Company amortizes intangible assets over five years. Intangible assets are subject to testing for impairment if events and circumstances indicate that the carrying value may not be recoverable.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

#### Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. Deferred taxes relate primarily to the difference in depreciation methods between book and tax and certain inventory costs being capitalized for tax purposes. Disclosure or accrual of uncertain tax positions is not required when it is more likely than not that the Company is entitled to the economic benefits resulting from the positions taken in income tax returns. The Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

# Woodland Capital Franchising, Inc.

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## Notes to Financial Statements

February 28, 2025, February 29, 2024 and February 28, 2023

### Revenue Recognition

#### Franchise Fees, Royalties and Marketing Fees

The Company records revenue under ASC No. Topic 606, *Revenue From Contracts With Customers (Topic 606)*, which requires revenue to be recorded as the transfer of promised goods or services to consumers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for these goods or services. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2022-02, the Company has elected to treat certain pre-opening services related to these initial franchise fees as a single performance obligation. The Company has determined that store opening date is the appropriate date to aggregate the pre-opening services as the single performance obligation. Amounts not allocated to pre-opening services, if any, would be amortized over the life of the franchise agreement. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration.

In addition to franchise fees, the Company collects royalty and marketing revenues, which are based on a percentage of gross sales of franchisees. Franchise royalties and administration fees are in accordance with the Franchise Agreement provision and are subject to change based on geographical and other conditions. As a result, from time to time, lower franchise royalties are negotiated for certain jobs. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, the Company recognized \$1,663,287, \$1,368,804, and \$1,206,802 of franchise royalties, which were approximately 90%, 89% and 87%, respectively of total revenues. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, the Company recognized \$93,000, \$60,700 and \$78,320 of franchise fee income, respectively.

Marketing fees obtained from franchisees are designated for use as stipulated by the franchise agreements. Fees are expensed in the period in which they are incurred. For the years ended February 28, 2025, February 29, 2024, and February 28, 2023, the Company incurred marketing fees of \$84,295, \$106,428 and \$75,628, respectively. The marketing fees are included in the operating expenses in the statements of operations and stockholders' equity. For the years ended February 28, 2025, February 29, 2024, and February 28, 2023, the Company recognized marketing revenues of \$83,623, \$106,941 and \$100,251, respectively. The marketing revenues are included in the royalty income in the statements of operations and stockholders' equity.

#### Recently Adopted Accounting Pronouncements

On March 31, 2023, the Company adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including trade accounts receivables. The Company adopted ASC 326 using the modified retrospective method for its notes receivables. Accordingly, this adoption did not have a material impact to the financial statements.

#### Subsequent Events

The Company has evaluated subsequent events through May 5, 2025, the date that the financial statements were available to be issued.

# Woodland Capital Franchising, Inc.

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## Notes to Financial Statements

February 28, 2025, February 29, 2024 and February 28, 2023

### 3. Franchise Outlets

As of February 28, 2025, February 29, 2024 and February 28, 2023 franchise outlets consisted of the following:

	2025	2024	2023
Franchise locations:			
In operation, beginning of period	18	25	23
Franchise locations acquired and opened during the period	8	3	5
Franchise locations terminated during the period	-	(10)	(3)
In operation, end of period	<u>26</u>	<u>18</u>	<u>25</u>

### 4. Intangible Assets, Net

At February 28, 2025 and February 29, 2024, intangible assets, net relate to intellectual property for appraisal services and consists of the following:

	2025	2024
Gross carrying amount	\$ 209,000	\$ 209,000
Accumulated amortization	(188,100)	(146,300)
Net carrying amount	<u>\$ 20,900</u>	<u>\$ 62,700</u>

Amortization expense of intangible assets for the years ended February 28, 2025, February 29, 2024 and February 28, 2023 was \$41,800 for each year. Future amortization of the platform will be \$20,900 in the final year.

### 5. Related-Party Transactions

#### Computer Support Fees

The Company has an agreement with WCH to pay a service fee for computer support services provided. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, the Company paid computer support fees of \$174,691, \$147,575 and \$130,705, respectively, to this related party. The annual service fee was based on 10% of net royalty revenues. The computer support fees are included in operating expenses in the accompanying statements of operations and stockholders' equity.

#### Management Fees

The Company has an agreement with WCH to pay an annual management fee of 25% of gross billings to customers of the franchises. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, the Company paid management fees of \$436,727, \$368,936 and \$326,763, respectively, to this related party. The management fees are included in operating expenses in the accompanying statements of operations and stockholders' equity.

# Woodland Capital Franchising, Inc.

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## Notes to Financial Statements

February 28, 2025, February 29, 2024 and February 28, 2023

### Shared Administrative Expenses

The Company has an agreement with WCH to pay shared administrative expenses of 35% of gross billings to customers of the franchises. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, the Company paid shared administrative expenses of \$611,418, \$516,511 and \$457,469, respectively, to this related party. The shared administrative expenses are included in operating expenses in the accompanying statements of operations and stockholders' equity.

### 6. Notes Receivable

During the year ended February 28, 2025, one franchisee purchased a franchise through financing provided by the Company totaling \$17,000. The financing matures in 2029 and accrues interest at 11.5% per annum. During the year ended February 29, 2024, five franchisees purchased individual franchises through financing provided by the Company totaling \$58,933. The financings mature in 2028 and accrue interest at 5% per annum. During the year ended February 28, 2023, three franchisees purchased individual franchises through financing provided by the Company totaling \$52,500. The financings mature in 2025 and accrue interest at 5% per annum.

As of February 28, 2025, the Company is due \$52,744 of principal and \$0 of accrued interest. As of February 29, 2024, the Company is due \$88,065 including \$82,635 of principal and \$5,430 of accrued interest.

### 7. Income Taxes

The Company is taxed as a C corporation and files in multiple states. For the years ended February 28, 2025, February 29, 2024 and February 28, 2023, income tax provision (benefit) consists of the following:

	2025	2024	2023
Current:			
Federal	\$ 109,992	\$ 64,263	\$ (5,136)
State	(13,458)	19,815	4,371
	96,534	84,078	(765)
Deferred:			
Federal	(7,618)	(5,693)	(10,851)
State	5,565	(2,033)	(3,645)
	(2,053)	(7,726)	(14,496)
Total	\$ 94,481	\$ 76,352	\$ (15,261)

The Company's effective tax rate in 2025 differs from the statutory rate primarily due to an overestimate of the prior year income tax liability.

As of February 28, 2025 and February 29, 2024, deferred income taxes consisted of the following:

	2025	2024
Deferred tax assets:	\$ 27,000	\$ 24,947

# Woodland Capital Franchising, Inc.

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## Notes to Financial Statements

February 28, 2025, February 29, 2024 and February 28, 2023

Deferred income taxes are provided for the tax effects of temporary differences in the reporting of income for financial statement and income tax reporting purposes and arise principally from amortization of intangible assets over 15 years for income tax reporting and amortization of intangible assets over five years for financial statement purposes.

The Company establishes a valuation allowance when it is more likely than not that the Company's recorded net deferred tax asset will not be realized. In determining whether a valuation allowance is required, the Company must take into account all positive and negative evidence with regard to the utilization of a deferred tax asset. As of February 28, 2025, and February 29, 2024, the Company did not believe a valuation allowance was required.

As of February 28, 2025, and February 29, 2024, the Company had no net operating loss carryforwards for federal and state income tax purposes. As of the date of this report, the Company has not filed their tax returns for the year ended February 28, 2025. The utilization of net operating loss carryforwards may be limited under the provisions of Internal Revenue Code Section 382 and similar state provisions due to a change in ownership.

The Company has not recognized any liability for unrecognized tax benefits. The Company expects any resolution of unrecognized tax benefits, if created, would occur while the full valuation allowance of deferred tax assets is maintained; therefore, the Company does not expect to have any unrecognized tax benefits that, if recognized, would affect the effective tax rate. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax assets, projected future taxable income and tax planning strategies in making this assessment.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending tax examinations. Earlier years may be examined to the extent that credit or loss carry-forwards are used in future periods. The resolution of tax matters is not expected to have a material effect on the Company's financial statements. The Company's policy is to record interest and penalties related to income taxes as part of the tax provision.

## 8. Contingencies

The Company is subject to legal proceedings, claims and litigation arising in the ordinary course of business. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company.

**EXHIBIT E**  
**LIST OF FRANCHISEES**

**ALABAMA**

**Territory: Alabama**

Goforth, Lee Ann  
Petereit, Michelle  
3781 Pine Log Rd.  
Chipley, FL 32428  
Lee Ann 678-525-4452  
Michelle 903-431-1264

**CALIFORNIA**

**Territory: Los Angeles, CA**

Dani, Aaron and Jordan  
4645 Avon Ln  
Frisco, TX 75033  
Aaron 760-409-2359  
Jordan 760-902-8449

**CONNECTICUT**

**Territory: Connecticut**

Nauroth, Nick (1)  
1238 Hillsboro Mile #208  
Hillsboro Bech, FL 33062  
215-317-0566

**DISTRICT OF COLUMBIA**

**Territory: District of Columbia**

Boes, Kyle (2)  
12 Chelsea Ct.  
Stafford, VA 22554  
504-656-3762

**FLORIDA**

**Territory: Fort Myers, FL**

Poole, Gary  
3397 Valley Park Avenue  
Columbus, OH 43231  
614-558-6955

**Territory: Miami, FL**

Santaniello, Stanley  
PO Box 1113  
Boynton Beach, FL 33425  
561-734-9552

**Territory: Tampa, FL**

Rivera, Ralph & Paola  
6007 Lakewood Lane  
Lakeland, FL 33805  
863-513-8860

**GEORGIA**

**Territory: Georgia**

Hoff, Scott (3)  
3781 Pine Log Rd  
Chipley, FL 32428  
404-849-7158

**ILLINOIS**

**Territory: Illinois**

Kennedy, Daryl & Kindra (4)  
11245 W110th ST N  
Collins, IA 50055  
Kindra 515-975-4083  
Daryl 515-975-4073

**IAWA**

**Territory: Iowa**

Kennedy, Daryl & Kindra (4)  
11245 W110th ST N  
Collins, IA 50055  
Kindra 515-975-4083  
Daryl 515-975-4073

**MAINE**

**Territory: Maine**

Nauroth, Nick (1)  
Caravella, Cassandra  
1238 Hillsboro Mile #208  
Hillsboro Bech, FL 33062  
Nick 215-317-0566  
Cassandra 401-868-0663

**MARYLAND**

**Territory: Maryland**

Boes, Kyle (2)  
12 Chelsea CT  
Stafford, VA 22554  
504-656-3762

**MASSACHUSETTS**

**Territory: Massachusetts**

Caravella, Dominick (5)  
624 Washington St., Apt A226  
Coventry, RI 02816  
954-980-7409

**MINNESOTA**

**Territory: Minnesota**

Dibba, Ebrima  
880 SW 15th St., Ste. 17  
Forest Lake, MN 55025  
347-367-3676

**MISSOURI**

**Territory: Missouri**

Kennedy, Daryl & Kindra (4)  
11245 W110th ST N  
Collins, IA 50055  
Kindra 515-975-4083  
Daryl 515-975-4073

**NEW HAMPSHIRE**

**Territory: New Hampshire**

Nauroth, Nick (1)  
Caravella, Cassandra  
1238 Hillsboro Mile #208  
Hillsboro Bech, FL 33062  
Nick 215-317-0566  
Cassandra 401-868-0663

**NEW JERSEY**

**Territory: New Jersey**

Jaludi, Hashim (6)  
15834 SW 91st CT  
Palmetto Bay, FL 33157  
305-772-9665

**NEW YORK**

**Territory: New York**

Jaludi, Hashim (6)  
15834 SW 91st CT  
Palmetto Bay, FL 33157  
305-772-9665

**NORTH CAROLINA**

**Territory: North Carolina**

Hoff, Scott (3)  
3781 Pine Log RD  
Chipley, FL 32428  
404-849-7158

**OKLAHOMA**

**Territory: Oklahoma**

Benson, Bryan & Elizabeth  
PO BOX 785  
Collinsville, OK 74021  
918-213-3411

**RHODE ISLAND**

**Territory: Rhode Island**

Caravella, Dominick (5)  
624 Washington St. Apt A226  
Coventry, RI 02816  
954-980-7409

## **SOUTH CAROLINA**

**Territory: South Carolina**  
Hoff, Scott (3)  
3781 Pine Log RD  
Chipley, FL 32428  
404-849-7158

**(1) Operates in multiple territories under one franchise agreement.**

## **TENNESSEE**

**Territory: Tennessee**  
Dani, Jordan (7)  
590 Woodcreast Dr.  
La Vergne, TN 37086  
760-902-8449

**(2) Operates in multiple territories under one franchise agreement.**

**(3) Operates in multiple territories under one franchise agreement.**

## **TEXAS**

**Territory: Texas**  
Dani, Aaron (7)  
4645 Avon Ln  
Frisco, TX. 75033  
760-409-2359

**(4) Operates in multiple territories under one franchise agreement.**

**(5) Operates in multiple territories under one franchise agreement.**

**(6) Operates in multiple territories under one franchise agreement.**

**(7) Operates in multiple territories under one franchise agreement.**

## **VERMONT**

**Territory: Vermont**  
Nauroth, Nick (1)  
Caravella, Cassandra  
1238 Hillsboro Mile #208  
Hillsboro Bech, FL 33062  
Nick 215-317-0566  
Cassandra 401-868-0663

## **VIRGINIA**

**Territory: Virginia**  
Nauroth, Nick (1)  
Caravella, Cassandra  
1238 Hillsboro Mile #208  
Hillsboro Bech, FL 33062  
Nick 215-317-0566  
Cassandra 401-868-0663

## EXHIBIT F

### FORMER FRANCHISEES

#### **FLORIDA**

*(Transferred in 2024)*  
Poole, Gary  
3397 Valley Park Avenue  
Columbus, OH 43231  
614-558-6955

#### **MAINE**

**Territory: Maine**  
*(Transferred in 2024)*  
Caravella, Charlie  
Zabelle, Matt  
65 Horton St  
Lewiston, ME 04240  
Charlie 305-570-1926  
Matt 954-603-2640

#### **NEW HAMPSHIRE**

**Territory: New Hampshire**  
*(Transferred in 2024)*  
Caravella, Charlie  
Zabelle, Matt  
76 Fort Eddy Plaza 1020  
Concord, NH 03301  
Charlie 305-570-1926  
Matt 954-603-2640

#### **NEW JERSEY**

**Territory: New Jersey**  
*(Transferred in 2024)*  
Caravella, Dominick  
210 SW Fernleaf Tr.  
PortSaint Lucie, FL 34953  
954-980-7409

#### **NEW YORK**

**Territory: New York**  
*(Transferred in 2024)*  
Caravella, Dominick  
624 Washington St. Apt A226  
Coventry, RI 02816  
954-980-7409

#### **VERMONT**

**Territory: Vermont**  
*(Transferred in 2024)*  
Caravella, Charlie  
Zabelle, Matt  
168 Ames Ste 5  
Barre, VT 05641  
Charlie 305-570-1926  
Matt 954-603-2640

## **EXHIBIT G**

### **OPERATIONS MANUAL TABLE OF CONTENTS**

# Franchisee Operating Manual

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## EXHIBIT H

### STATEMENT OF PROSPECTIVE FRANCHISEE

**California Franchisees are not required to complete the Statement of Prospective Franchisee Questionnaire on Exhibit H.**

As you know, you and we are entering into a Franchise Agreement for the operation of a Doan Group Franchised business. The purpose of this Statement is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

**Acknowledgements and Representations.**

1. Did you receive a copy of our Franchise Disclosure Document at least 14 calendar days before signing the Franchise Agreement (including the exhibits, addenda, attachments and related agreements like the franchise and area development agreement) and at least 14 calendar days before you paid us any money for any reason? Check one:      Yes.      No.
2. Did you sign a receipt for the Disclosure Document indicating the date you received it?  
Yes.      No.
3. Is the name, address and telephone number of any broker and each of our employees or representatives who was involved in offering you this franchised business listed on a Doan Group Franchise Disclosure Document Receipt (Exhibit to the Doan Group Franchise Disclosure Document) you signed (or on any updated receipt we provided to you)? Check one:  
Yes.      No.
4. Did you get answers to all of your questions and concerns about making an investment in a Doan Group Franchise? Check one:      Yes.      No.
5. Have you discussed the benefits and risks of establishing and operating a Doan Group Franchise with an attorney, accountant, or other professional advisor?      Yes.      No. If no, do you need additional time to do so?      Yes.      No.

If you answered "No" to questions 1-4, please explain (attached additional sheets, if necessary):

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6. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in our Doan Group Franchise Disclosure Document? Check one:      Yes.      No.
7. Did any employee or other person speaking on our behalf make any statement or promise or provide you with any oral, written or visual claim, computer model or spreadsheet or

representation that stated, suggested, predicted or projected your sales, revenues, income or profit levels? Check one: Yes. No.

8. Did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a Doan Group franchised business that is not contained in our Doan Group Franchise Disclosure Document or that is contrary to or different from the information in our Doan Group Franchise Disclosure Document? Check one: Yes. No.

9. Did anyone offer or promise you any amendment, addendum, "side deal," "side letter" or similar arrangement that is different from or supplemental to the Doan Group Franchise Agreement? Check one: Yes. No.

If you answered "Yes" to any of questions 6 through 9, please explain in detail the claim, representation or statement (attach additional sheets if necessary): \_\_\_\_\_

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**NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST SIGN BELOW.**

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED ON BEHALF OF WOODLAND CAPITAL FRANCHISE, INC.

Signed: \_\_\_\_\_

Title: Chief Executive Officer

Date: \_\_\_\_\_

**NOTE: THIS STATEMENT OF PROSPECTIVE FRANCHISEE WILL NOT BE SIGNED OR  
USED IF THE FRANCHISEE RESIDES WITHIN OR IF THE FRANCHISED BUSINESS  
WILL BE LOCATED WITHIN THE STATE OF MARYLAND.**

**NOTE: THIS STATEMENT DOES NOT WAIVE ANY LIABILITY THE FRANCHISOR MAY HAVE UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.**

**NOTE: THIS STATEMENT OF PROSPECTIVE FRANCHISEE WILL NOT BE SIGNED OR  
USED IF THE FRANCHISEE RESIDES WITHIN OR IF THE FRANCHISED BUSINESS  
WILL BE LOCATED WITHIN THE STATE OF WASHINGTON.**

### **State Effective Dates**

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	
Florida	March 27, 2025
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## **Exhibit I**

### **RECEIPT**

**(Our Copy)**

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Woodland Capital Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Woodland Capital Franchising, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

The franchisor is Woodland Capital Franchising, Inc., at 5090 Highway 212, Covington, Georgia 30016 (770) 788-8328. The franchise sellers are Timothy W. P. Davis and Roger Crowley.

Issuance Date: May 5, 2025. The Issuance Date is not the Effective Date. See the immediately preceding page of this disclosure document to determine if your state's Effective Date varies from the Issuance Date.

Woodland Capital Franchising, Inc., authorizes the agents listed on Exhibit G to receive service of process in the respective states.

I received a disclosure document dated May 5, 2025 that included the following Exhibits:

A. State Addenda	E. List of Franchisees
B. State Administrators and Agents for Service of Process	F. List of Former Franchises
C. Franchise Agreement	G. Operations Manual Table of Contents
D. Financial Statements	H. Statement of Prospective Franchisee
	I. Receipts

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Date Received

---

Prospective Franchisee Signature

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Prospective Franchisee Printed Name

Mail signed and dated Receipt to Woodland Capital Franchising, Inc., at 5090 Highway 212, Covington, Georgia 30016 or email at [www.info@Doan.com](mailto:www.info@Doan.com).

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